



THUNDER BAY PORT AUTHORITY

2019 ANNUAL REPORT



MESSAGE FROM THE CHAIR

The Port of Thunder Bay experienced a significant surge in cargo volume in 2019, reaching 9.3 million metric tonnes by year end. This was the best result since 2014 and was 7% higher than volumes in 2018.

Higher grain and coal shipments contributed to the totals and it was the first year in port history that the largest share of grain shipments from Western Canada originated in the Province of Manitoba. Structural steel volumes through Keefer Terminal were weaker due to reduced construction activity in Western Canada. This was partially offset by higher shipments of rail imported from Europe. We anticipate growth in project cargo in 2020 with the resumption of wind turbine shipments to Western Canada.

The Keefer Terminal reconfiguration project progressed according to plan with the completion of the new rail yard. The 50,000 square-foot heated storage building was 40% complete by year end. Total capital investment of \$6.4 million was made in 2019 including \$2.4 million investment by the Government of Canada and Province of Ontario, partnerships which are key to the success of this project. The project represents the largest investment in the Port's general cargo facility in over 50 years.

We are encouraged by the increased volumes through the Port and we will continue our efforts to attract cargo and new business to Thunder Bay and reinforce our ties to Western Canada. We look forward to the completion of the reconfiguration project at Keefer Terminal in 2020 which will increase cargo handling efficiency and capacity.

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 sincere appreciation and extend our thanks to each member of the staff for their dedication and hard work throughout 2019 and we look forward to working together to chart a successful 2020 for the Port of Thunder Bay.



Bonny Skene
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



Bonny Skene
Chair



Greg Arason
Concluded Service in 2019



Tracy Buckler



Charla Robinson

FEDERAL DIRECTOR



Dianne Miller

PROVINCIAL DIRECTOR



Wade Robertson
Commenced Service in 2019



John Aiken
Concluded Service in 2019

MUNICIPAL DIRECTOR



Patrick Bushby

STRATEGY

MISSION STATEMENT

To promote and invest in the efficient integration of marine, rail, and road transportation systems and improve competitiveness of the Thunder Bay marine route, to advance economic growth.

VISION STATEMENT

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



The Port of Thunder Bay is situated on the western terminus of the Great Lakes – St. Lawrence Seaway System. As Canada's gateway to the western provinces, the Port is ideally positioned to handle cargo destined for Western Canada and for movements from the west into the Seaway system and through to Europe. Thunder Bay Port Authority (TBPA) is an important facilitator of commerce in Northwestern Ontario and administers the only major port in the region.

TBPA has aligned its business plan with its strategic objectives which are broadly defined as follows:

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

TBPA satisfies its mandate largely through the operation of a premier multi-modal facility, Keefer Terminal, which has become a hub for Western-Canadian bound project and general cargo shipments. Ongoing initiatives for expanding the volume and variety of marine cargo in the Port of Thunder Bay include growth and diversification of shipments via Keefer.

There has been considerable success in this initiative, and TBPA has garnered a strong reputation and customer base. Shippers value capability and reliability when shipping their high-value cargoes; relationship-building is a critical component in the process of earning shipper trust and securing cargo.

TBPA also promotes its strategic waterfront property, Intercity Site, and advances initiatives to increase bulk cargo volumes through other port terminals.

A multi-modal terminal reconfiguration project at Keefer Terminal will be complete in 2020. This significant Northern Ontario transportation asset will be enhanced to the economic benefit of:

- the Canadian transportation sector,
- shippers in Western Canada using the East-West trade corridor, and
- the local economy in Thunder Bay, which will experience job creation and a net inflow of spending in the region.

The Port's profile is maintained locally, nationally, and internationally through public relations and partnerships. A strong marketing budget indicates TBPA's commitment to further enhance stakeholder and customer relationships to achieve overall objectives.

PROJECT CARGO GATEWAY

The Port of Thunder Bay is a seamless intermodal hub for dimensional cargo. Thunder Bay connects directly to the West with superior cargo clearance through CN and CP railways and the TransCanada Highway. The Port regularly handles wind turbines, mining equipment, structural steel, and electrical infrastructure, among other diverse cargoes.



Discharge of a reactor in August 2019

TERMINAL RECONFIGURATION

TBPA is reconfiguring its General Cargo Terminal to accommodate growing demand, improve cargo handling efficiency, and expand staging and storage options for shippers. Rail upgrades, expanded laydown, and an additional 50,000 square feet of clear-span heated space are nearing completion.

The project will result in improvements to safety as well as reduced greenhouse gas (GHG) emissions in the Canadian transportation network.

TBPA is proud to partner on this \$15 million dollar project with the National Trade Corridors Fund and the Northern Ontario Heritage Fund Corporation. The project complements previous investments in the terminal including a Liebherr Mobile Harbour Crane and adjacent intermodal yard and toplifter.



New, heavy-gauge rail track



Construction of new facility

CANADA'S GRAIN PORT

The 2019 season featured notably higher cargo shipments than the past several years. Detailed statistics can be found on page 6. Strong shipments of prairie-grown grain buoyed the Port's cargo volume to its highest level since 2014.

Grain volumes increased by 500,000 MT over 2018 as Thunder Bay elevators funneled larger quantities of canola to markets in Europe and South America.

YEAR	CANOLA	WHEAT	OTHER	TOTAL
2015	1,325,277	6,113,198	580,163	8,018,638
2016	1,806,859	5,007,852	650,088	7,464,799
2017	1,724,008	4,990,671	560,813	7,275,492
2018	1,183,157	5,602,661	614,869	7,400,687
2019	1,828,302	5,519,420	552,643	7,900,365

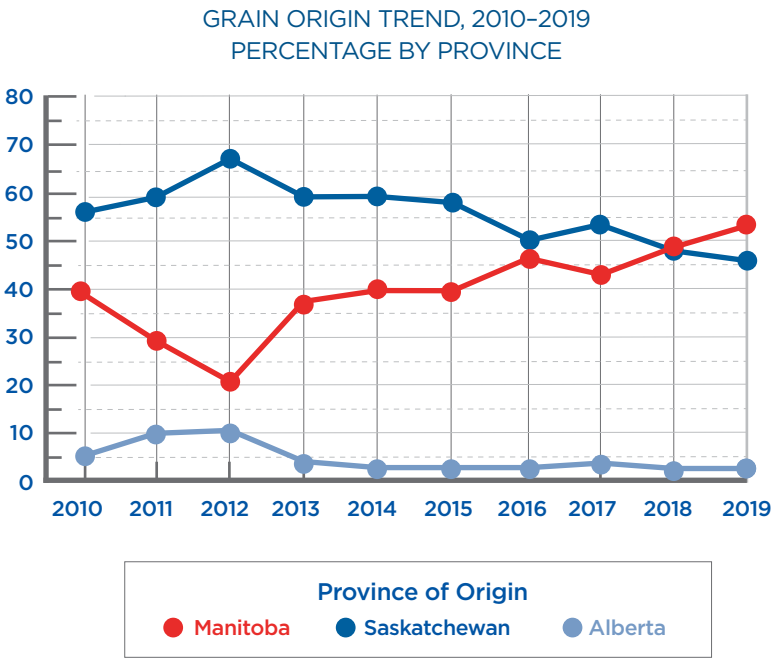


WHERE IS GRAIN HANDLED IN THUNDER BAY GROWN?

Thunder Bay is the primary port shipping to Eastern markets for grain grown in the Canadian Prairies. But did you know the provincial origins of the grain transiting the Port of Thunder Bay and the Seaway have changed over time?

Historically, Saskatchewan has been the #1 source of Seaway-moving grain, followed by Manitoba. Alberta is a distant third. In recent years as crop output has increased in both Manitoba and Saskatchewan, Thunder Bay elevators have been receiving higher volumes of the closer-proximity grain from Manitoba.

In 2019, for the first time, Manitoba was the #1 source of grain being shipped through the Thunder Bay - Seaway route.





WESTERN CANADA'S
MOST EFFICIENT
GRAIN PORT



Shortest

Railcar Cycle Time
(to and from the
Prairies)

Fastest

Vessel Turnaround
Time

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

PORT COMMODITIES

Grain (Wheat, canola, oats,
pulse crops & seed crops)

Dry Bulk
(Coal, potash, stone, sand, salt)

Liquid Bulk
(Petroleum, liquid chemicals)

General Cargo (Steel, rail, wind
turbines, machinery & equipment,
electrical infrastructure)

SERVICE OFFERINGS

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

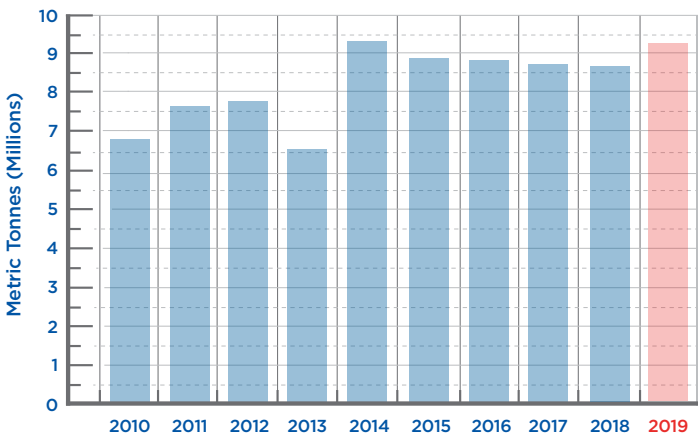
Largest Industrial Tax Base in Thunder Bay

2019 YEAR IN REVIEW

A total of 9.3 million metric tonnes of cargo crossed the docks at port terminals in 2019, the second highest volume of the past two decades. There was a significant increase in grain shipments and continued strong coal, potash and general cargo movement.

CARGO STATISTICS

THUNDER BAY CARGO SHIPMENTS, 2010-2019



YEAR	METRIC TONNAGE
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
2018	8,733,330
2019	9,297,373



VESSEL VISITS



CARGO VARIANCES (VS. 5-YEAR AVERAGE):
Grain ↑3% | Coal ↑27% | Potash ↑8%

CARGO BREAKDOWN

CARGO	2018	2019
Grain	7,401,611	7,900,365
Coal	704,630	779,893
Potash	425,859	400,700
Other	201,230	216,415
Total:	8,733,330	9,297,373

SEASON TIMELINE

Opening of Navigation, Domestic:

M.V. Kaministiquia
March 28, 2019

Opening of Navigation, Foreign:

M.V. Federal Bering
April 22, 2019

Closing of Navigation:

M.V. Manitoulin
January 12, 2020

FINANCIAL REPORT 2019

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 69% of TBPA's operating revenues in 2019. Earnings for the year were \$576,879. 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 \$)

2019

2018

ASSETS

Current

Cash	\$ 665,926	\$ 485,633
Accounts receivable	2,143,599	656,581
Prepaid expenses	52,026	44,602
	2,861,551	1,186,816

Non-current

Long term investments	16,393,492	18,338,406
Property, plant and equipment	25,983,022	24,310,607

\$ 45,238,065	\$ 43,835,829
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LIABILITIES AND EQUITY

Current

Accounts payable and accrued liabilities	\$ 1,586,999	\$ 767,693
Deferred rental income	15,912	9,861
	1,602,911	777,554

Equity

Contributed surplus	27,711,964	27,711,964
Retained earnings	15,923,190	15,346,311
	43,635,154	43,058,275

\$ 45,238,065	\$ 43,835,829
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STATEMENT OF COMPREHENSIVE INCOME

For the Year Ended December 31
(expressed in CAD \$)

	2019	2018
Revenue		
Terminal	\$ 2,184,201	\$ 2,353,548
Harbour and Harbour Park	890,683	838,706
Intercity	72,475	74,604
	3,147,359	3,266,858
Expenses		
Terminal	745,496	828,904
Harbour and Harbour Park	96,983	105,238
Intercity	41,913	32,343
Administrative and Marketing	1,257,458	1,380,986
	2,141,850	2,347,471
Earnings from operations before the following	1,005,509	919,387
Gain on sale of equipment	31,870	-
Payments in lieu of municipal taxes	(275,064)	(282,156)
Gross revenue charge	(73,640)	(75,706)
Depreciation	(620,295)	(580,238)
Earnings (loss) from operations	68,380	(18,713)
Investment income	508,499	518,450
Comprehensive Income for the year	576,879	499,737

