

**MINUTES  
PORT OF JOHNSTOWN MANAGEMENT COMMITTEE  
MUNICIPAL OFFICE – SPENCERVILLE  
WEDNESDAY, JANUARY 19, 2022  
6:30 PM**

Present: Mayor Patrick Sayeau, Chair  
Councillor Hugh Cameron  
Councillor Stephen Dillabough  
Councillor John Hunter  
Mr. Joe Hendricks

Remote: Mr. Frank McAuley

Regrets: Deputy Mayor Tory Deschamps

Staff: Robert Dalley, General Manager  
Kevin Saunders, Operations Manager  
Rebecca Williams, Clerk  
Candise Newcombe, Deputy Clerk  
Rhonda Code, Office Manager

1. Call to Order

Mayor Sayeau called the meeting to order at 6:30 p.m.

2. Approval of Agenda

**Moved by:** H. Cameron  
**Seconded by:** J. Hunter

That Committee approve the agenda as presented.

Carried

3. Disclosure of Pecuniary Interest & the General Nature Thereof – None

4. Delegations – Mr. Fred Scalabrini and Mr. John Bethune from BFL Insurance

Mr. Bethune provided a history of BFL Insurance and employment background for Mr. Scalabrini and himself.

Mr. Scalabrini gave a brief history of the insurance market trends noting fluctuations from 2018 onward due to large catastrophic events contributing to severe losses. It was noted that over the past few years the focus has been on profitability. Mr. Scalabrini summarized characteristics experienced in a soft, hard and stable market noting that the 2022 market is considered stable, with predictable rate increases expected. Mr. Scalabrini noted that due to the niche market of Ports and Terminals coverage, losses are felt more profoundly across the board.

Mr. Scalabrini outlined BFL's strategy to insure marine risk through a large consortium. Compiling neighbouring Port premiums and rates for comparison and finding a comfortable balance for the Port between premium and deductible levels and costs in time for the upcoming renewal terms.

Members inquired why the Port would be affected by increased premiums due to a catastrophic event in another country when there is low risk of such events in this area. Mr. Scalabrini noted that there are a limited number of insurers for the niche market of Ports and Terminal coverage. If a loss occurs, the insurer is looking to increase profitability to compensate. They look at industry class and mutuality of risk that dictates increased rates across the board.

Committee inquired if the Port's current terms covered earthquakes, noting the slightly increased risk of such events in the area. It was noted that the Port currently has \$15 million in coverage with a \$250,000.00 deductible for earthquakes.

There was a brief discussion on the three catastrophic events that contributed to the tumultuous market, including hurricane Laura, as well as explosions in Beirut and the UK which led to higher deductibles due to sizable claims made.

Members inquired about possible impact to future rates as the Port grows and expands into the shipment of additional types of products. Mr. Scalabrini noted that premium increases would be dependent on the type of product and the increased risk associated with the transportation or storage of such a product. Conversely, he noted that any risk mitigation to prevent losses could contribute to savings.

Committee noted the clean history of claims experience of the Port and inquired if this would be taken into consideration when determining the rates offered. Members inquired if there would be competitor terms provided for comparison to support BFL's claim of best-in-class terms. Mr. Bethune noted that the company had went to market in previous years only to determine that the Port's rates were almost 50% less than the offered rates of the time. He noted that there are a limited number of markets that write Ports, being a reflection of the market, not the capabilities of BFL Insurance company.

Members inquired what the current deductible was and if an increase to deductibles would have a beneficial impact to Port premium rates. Mr. Bethune noted that due the expansive coverage held at the Port, there are varying deductibles depending on category of coverage. He noted that the deductible option was reviewed in the past and determined the savings would not be justifiable for the increased risk.

There was a brief discussion on the correlation of revenue growth to premium increases due to the increase in exposure and the various tools used to negotiate with underwriters to mitigate premium increases.

Committee thanked Mr. Bethune and Mr. Scalabrini for their presentation. The presenters noted their intent to have the renewal contract for the Port prepared and presented in time for the next Port Management meeting in February.

The Port General Manager requested that the February meeting be re-scheduled from the 16<sup>th</sup> to the 23<sup>rd</sup>. There was consensus of Committee to re-schedule Port Management Committee meeting to February 23<sup>rd</sup>.

5. Minutes of the Previous POJ Committee Meeting

a) Regular Meeting – December 15, 2021

**Moved by:** J. Hunter

**Seconded by:** H. Cameron

That Port Management Committee receives and approves the minutes of Port Management Committee meeting, dated December 15, 2021.

Carried

6. Business Arising from Previous PMC Minutes - None

7. Discussion Items – None

8. Action/Information Items

a) Operation Manager's Report- December

Port staff provided an overview of the monthly operations report and there was a general discussion on the following topics: grain inventory for the month of December, vessel traffic, overall summary of grain traffic, and work completed in the maintenance and electrical areas.

There was a general discussion on the effectiveness of the new loading spouts, ongoing manufacturer support, engineering issues and spout installation. It was noted that due to the decreased number of spouts, additional load planning is required. It was noted that due to the increased reach of the new spouts there is a reduction in demand for physical labour to disperse the product evenly. The new spouts were also noted to have made a beneficial impact to dust formation due to the design of the spouts.

b) General Manager's Report- December

Port staff provided an overview of the monthly General Manager's report and briefly discussed overall compliance with the Port vaccination policy and ongoing testing requirements.

Committee sought clarification on the use of the word "sewage" in the EA report. It was noted that the word sewage is generally used alongside "works" ("sewage works") and describes the containment system used in the salt management plan as approved in the ECA.

Members inquired if there was a follow-up done with the University of Queens engineering program. It was noted that Queens is not currently seeking any projects. Members inquired if the meeting with the Environmental Services Manager, Abraham Francis from Akwesasne has been re-scheduled. Members requested notification of when the re-scheduled meeting with Mr. Abraham Francis.

Committee commended Port staff on their innovative thinking and hard work on effectively accommodating the vessel received on December 24<sup>th</sup> supplying the entire required load rather than the initially ordered top up.

#### c) Year End Presentation

Port staff provided Committee with a detailed overview of the 2021 Year End Report, which highlighted the following areas and resulted in discussion from Committee:

- Total cargo trends from 2003 to 2021
- Total cargo processed by transport mode
- Marine Business:
  - Marine cargo processed by metric ton
  - Vessel traffic experienced a slight increase from 2020
- Bulk Cargo:
  - No overseas salt shipments were received in 2021. Milder winters have resulted in a surplus of salt remaining in inventory and may carry over to 2022.
  - Grain shipments by vessel – majority was soybean
- Liquid Bulk Shipments:
  - Calcium chloride shipments increased 30% from 2020-2021 receiving 23,996 MT.
- Grain Business Report:
  - Volume of grain received in 2021 is 427,482 MT, the first year on record the quantity of grain exceeded 400,000 MT.
  - Volume of all three main commodities increased in 2021.
  - Weather was favourable for crops noting the average corn yield in Eastern Ontario was at a record level.
  - Due to favourable yields, demand for additional storage space at the Port was required. The addition of bin #9 at the annex in 2020 proved to be a benefit in meeting some of the demand.
  - Annual volume of grain received trend from 2013 to 2021.

- Grain received by transport mode from 2013 to 2021.
  - Percentage of each commodity handled at the Port in 2021.
  - Grain handling per month from 2018-2021.
- Capital Projects:
  - Committee reviewed and discussed the detailed list of projects that were completed to improve operations at the Port in 2021. Port staff provided Committee with before and after photographs of the completed loading spouts project noting that this was the largest portion of the capital spending this year.
  - Shipping Gallery conveyors were replaced with before and after photos provided. The added benefit of reduced dust with the enclosed conveyor belt was noted.
  - Conveyor Belt #1 in the basement was replaced.
  - New grain analyzer purchased.
  - Paving project complete.
- Capital Budget Summary:
  - Noted that certain projects were not completed in 2021, therefore impacting the 2021 actuals.
  - Over \$7.6 million in completed capital projects.
- Maintenance Report:
  - Reviewed the detailed list of maintenance completed within the following areas: electrical, mechanical, and contracted tasks.
- Health and Safety – Training – Environment Reports:
  - Highlighted ongoing aid received by the Port from Mr. John McGeough of Prevention and Regulatory Solution Ltd.
  - Noted the Port's first year of no recordable injuries. Members noted their interest in being provided past years recordable injury list for comparison.
- Finance Report:
  - Pre-audited summary – 2021 revenues increased by 2.8%, while expenses were slightly higher by 1.15% resulting in a record surplus of \$4.144 million. Equates to a 4.5% increase in surplus from 2020 and a 135% increase since 2014.
  - Review of the 2021 revenues and expenses budget and actuals compared to 2020.
  - 2021 budget summarized by the quarterly revenues and expenses.
- 2021 Port Highlights:
  - Community Capital Funding program
    - St. John's United Church backup generator.
    - Community business signage and community benches.
    - Restoration and preservation of the Spencerville Mill.
  - Port General Manager year in review letter.

**Moved by:** J. Hunter

**Seconded by:** S. Dillabough

That the Port Management Committee receives, reviews the 2021 Year End Review report and that this includes receiving the financial statement as per by-law 2017-02 Schedule "A" and that these financial statements be submitted and interpreted to Council.

Carried

Committee acknowledged and commended the Port staff and employees for their work throughout the year.

d) RBC Bank Loan Agreement

**Moved by:** S. Dillabough

**Seconded by:** H. Cameron

That the Port Management Committee recommends that Council authorizes:

1. The Mayor and CAO to sign the attached Bank Loan Agreement between the Township of Edwardsburgh Cardinal and the Royal Bank of Canada; and
2. The Mayor and CAO to sign the Banking document "Schedule H" on the day that the loan is to be transferred into the Port's account; and
3. That the signed Bank Loan Agreement be issued to the Port General Manager so that he can ensure all necessary documents are provided to the bank as outlined in the Banking Agreement; and
4. The Port General Manager to provide \$2,250,000.00 plus the down payment of \$700,000.00 plus any transaction fees from the Port of Johnstown's RBC Operating Account to the Port's lawyer to complete the purchase of the property known as 2822 County Road #2, Johnstown Ontario.

Carried

**Moved by:** J. Hendricks

**Seconded by:** F. McAuley

That Committee received and reviewed items 8a) Operation Manager's Report- December and 8b) General Manager's Report – December.

Carried

9. Approval of Disbursements – Port Accounts

Committee reviewed the report and inquired if the outlined vessel security fees were the responsibility of the vessel companies. It was noted that the Port turns a small profit from the outlined fee.

**Moved by:** J. Hunter

**Seconded by:** S. Dillabough

That Committee approves payment of Port invoices as circulated and numbered as follows:

Withdraws Total:	\$323,490.77
Batch 1	\$50,328.69

Total Withdraws and Batch Listings:     **\$373,819.46**

Carried

10. Councillor Inquiries/Notices of Motion – None

11. Chair's Report

Mayor Sayeau reported the following:

- Commended Port staff on comprehensive year-end report.

12. Question Period – None

13. Adjournment

**Moved by:** J. Hendricks

**Seconded by:** H. Cameron

That the Committee meeting adjourns at 8:45 pm.

Carried

These minutes were approved by Port Management Committee this 23 day of February, 2022.

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**Chair**

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**Deputy Clerk**