



**PortsToronto Annual General Meeting**

**Chair's Remarks**

**Robert Poirier**

**Check Against Delivery**

Good morning

Welcome to PortsToronto's Annual General Meeting. On behalf of my fellow board members – many of whom are here with us today – and the senior management thank you for attending our Annual General Meeting.

Our CEO, Geoffrey Wilson, will take to the podium in a few minutes to review last year's operational performance and highlight some of our key priorities for 2018 and beyond.

Before he does I would like to take a few moments to highlight a few of the important initiatives and areas of focus specific to the PortsToronto Board.

As you know, responsibility for the governance of PortsToronto rests with the board of directors, and the role of directors is one of financial and non-financial stewardship and oversight.

Directors have discretion to exercise their powers as they deem appropriate, subject to the constraints imposed by laws, regulations and, in our case, the Canada Marine Act and Letters Patent. The corporate governance landscape in Canada continues to evolve and as board directors we must proactively address issues such as board diversity, the process for new directors, and stakeholder and environmental engagement.

With this framework in mind, the Board of Directors for PortsToronto focuses on ensuring the financial strength of the organization, ensuring strong governance throughout the organization, committing to significant ongoing investments in environmental sustainability, and developing long-term strategy for the benefit of all stakeholders.

As you will hear in more detail later in this meeting, PortsToronto is proud to confirm its 10<sup>th</sup> year of profitability in 2017, with strong revenues in all business units.

As a government business enterprise, PortsToronto is mandated to be financially self-sufficient and receives no funding from any level of government. As such, our operational activities, infrastructure development projects, environmental initiatives and community investment program are entirely self-funded and dependent on our ability to maintain profitability.

We do however pay into government: paying taxes and charges on our revenues. In 2017, PortsToronto contributed approximately \$3.3 million in Payments in Lieu of Taxes – known as PILTs – to the City of Toronto, another \$3 million towards realty taxes, and more than \$3 million to the federal government for the gross revenue charge – a dividend payable annually to our federal shareholder. When combined with PILTs and property taxes, this resulted in a total contribution of more than \$9 million to the benefit of Canadians.

As such, the financial success of PortsToronto is a priority for our Board and we are proud of the performance of the staff at PortsToronto and proud of our ability to identify other opportunities to optimize our holdings to ensure a solid financial future for our organization. This includes unique business opportunities that fall outside of our day-to-day operations such as the sale of 30 Bay Street in 2017 to Oxford and the Canada Pension Plan, and the long-term lease with Cinespace that we announced alongside the Mayor earlier this year to further optimize our

property holdings in the port area. This latter initiative has the significant and added benefit of also supporting the City of Toronto's planned framework for the area and facilitates the continued success of a Canadian company and film industry supporting high paying jobs, the local economy and trade.

In addition to our financial performance, we continue to focus and adopt governance best practices.

By way of background, PortsToronto's board is comprised of representation from all three levels of government. PortsToronto has an appointee from the City of Toronto – Amanda Walton – an appointee from the provincial government – Jan Innes – and the Federal Transport Minister's appointee – Darin Deschamps. The remaining seats on the board consist of individuals appointed by the Minister of Transport in consultation with committees representing four identified industry user groups as per our Letters Patent, namely – commercial, recreational, airport and port operations.

We continue to implement best practices most recently designing a new User Group Director Nomination process that harmonizes the nomination framework established in our Letters Patent with the federal government's open, transparent and merit-based process for public appointments. This User Group Director Nomination process was endorsed by Transport Canada in 2016 and has been suggested as a best practice for other Canadian port authorities.

In 2016, PortsToronto also revised its Corporate Governance Manual, consisting of its Board Mandate and Committee Charters, to reflect best practices from other industry leaders. This manual, and other documents, pertaining to the board and governance – including CEO and Board expenses and executive correspondence – are available on the PortsToronto website.

We are also proud that our current board members and Chief Executive Officer, have completed, or are in the process of completing, certification from the Institute of Corporate Directors to ensure that we are operating at the highest level of good governance.

We continue to work with our User Groups and the Minister of Transport's office to identify new board members and look forward to welcoming the federal government's confirmed appointees in the coming weeks as this will ensure that we can continue to adhere to high standards for governance and ensure representation through our user groups.

These new appointees will come through our User Group Nomination process. User Group Nominees must fulfill the requirements set out in Section 15 of the Canada Marine Act. These requirements include possessing "accepted stature within the transportation industry or the business community" as well as "relevant knowledge and extensive experience related to the management of a business, to the operation of a port or to maritime trade" as outlined in paragraph 14 of the Canada Marine Act.

Once again, we look forward to welcoming new federal government confirmed appointments and are optimistic that we will approach a full Board complement in short order.

The new initiatives that I just discussed are just some of what we have been working on in the last year or two to ensure that the organization remains current and reflects best practices. We

look forward to sharing these best practices and identifying additional opportunities for innovation as we participate in the Canadian Ports Modernization Review announced by Minister Marc Garneau earlier this year.

The review will study such areas as innovation and trade logistics, safety and security, community engagement, sustainability and governance. The Canadian Ports Modernization Review is a great opportunity to look at how ports operate throughout Canada and to share best practices and information that can ensure that Canadian ports remain competitive and innovate to remain relevant. This includes a focus on sustainability and public engagement – two areas where we are particularly proud.

For the last three years PortsToronto has published a Sustainability Report to record our progress relating to sustainable operations. This includes reducing our footprint by powering all of our operations with renewable Bullfrog Power – the only port authority or airport in Canada to do so – and investing in hybrid vehicles, noise mitigation, and waste reduction measures. Our 2017 Sustainability Report is online and offers an excellent overview of how far we have come and how much farther we would like to go in the protection of the environment.

In the area of community engagement PortsToronto is proud to have held 30 meetings of the Community Liaison Committee since 2010. The CLC includes representatives from neighbourhood associations, local businesses and elected officials to discuss Billy Bishop Airport and approaches to ensure balance between airport operations and the surrounding community. We are also undertaking an update of our Master Plan in 2018 which includes regular and comprehensive public consultation. This includes more than 40 meetings to date with community associations, First Nations communities, elected officials, local businesses and community groups as well as public meetings where everyone can come together to provide comment and input.

With that and before I turn the stage over to Geoff Wilson, I would like to take this opportunity to thank the management and staff at PortsToronto for an extraordinary year of performance. I would like to recognize the professional and talented board members with whom I serve and who have steered PortsToronto to achieve great things last year. In particular I would like to thank Sean Morley, Governance and Human Resources committee chair, who retired from the board last year, and Jeremy Adams, Communications and Outreach committee chair who retired at the beginning of this year, each for serving with distinction for the full 9 years.

Amanda Walton has since been elected by the board chair of the Governance and Human Resources committee; and Jan Innes as chair of the Communications and Outreach committee.

I would also like to thank our stakeholders and government partners, including the City of Toronto, Transport Canada and Minister Garneau's office. And finally, I would like to thank the members of the community who we work with every day to ensure balance and success along the waterfront.

With that I will turn things over to Mr. Geoffrey Wilson, CEO of PortsToronto. Thank you.