

# PORTS TORONTO

2019 Annual  
General Meeting  
July 16, 2020





## Land Acknowledgement

PortsToronto's Head Office at 207 Queens Quay West, and all of our business units, are located on the traditional territory of many nations including the Mississaugas of the Credit, the Anishnabeg, the Chippewa, the Haudenosaunee, and the Wendat peoples and is now home to many diverse First Nations, Inuit and Métis peoples.



# Welcome to PortsToronto's Annual General Meeting



PORTS  
TORONTO

## Agenda

Welcome

Remarks from the Board of Directors Chair – Robert Poirer

Remarks from the Chief Executive Officer – Geoffrey Wilson

Presentation of 2019 Financial Results – Alan Paul

Question and Answer Session

Adjournment

# Question & Answer Session

- Participants were invited to submit questions in advance to ensure that there were multiple opportunities to ask questions.
- Questions submitted in advance will be answered first
- If you would like to ask a question please use the “Chat” function that is available on this AGM portal. Please include your name with any question.



# 2019: AGM & Annual Report

- This AGM is being recorded and will be made available on PortsToronto's website following today's meeting.
- The 2019 Annual Report is available on our website. The report provides operational highlights of the year, as well as the Management Discussion & Analysis, and the 2019 audited Financial Statements.
- MD&A and Financial Statements were first released on June 11, 2020, to ensure 30-day review period in advance of today's AGM.



**Robert Poirier**  
Chair  
Board of Directors  
PortsToronto



# Board of Directors

- Each member of our Board of Directors is participating at our AGM today and is available to answer questions.



**Robert Poirier**  
*PortsToronto Chair*  
*Federal Appointee*



**Darin Deschamps**  
*Minister of Transport Appointee*  
*- Chair of Audit & Finance*  
*- Chair of Pension Committee*



**Hellen Siwanowicz**  
*Federal Appointee*



**Don McIntyre**  
*Federal Appointee*  
*- Chair of Communications*  
*& Outreach*



**Amanda Walton**  
*City of Toronto Appointee*  
*- Chair of Governance*

# Board of Directors



**Chris Reynolds**  
*Provincial Appointee*  
*(Appointed April 2020)*



**Jan Innes**  
*Provincial Appointee*  
*(Retired August 2019,*  
*after three terms)*

## Achievements

- Millions in donations, sponsorships and in-kind contributions to community initiatives, activities and events
- Introduction of the Community Liaison Committee in 2010
- Implementation of Billy Bishop Airport's Noise Management Program
- Macro deals with the City of the Toronto, including incorporating city infrastructure in tunnel build to save in redundant costs
- Agreement with the City of Toronto in 2015 on Payments in Lieu of Taxes or PILTs later enshrined in regulation by the Province
- Initiative to convert *Marilyn Bell I* ferry to electric power



## Board of Directors

The Board of Directors at PortsToronto is responsible for:

- Ensuring the financial strength of the organization;
- Promoting strong governance throughout the organization;
- Committing to ongoing investments in safety, environmental sustainability; and,
- Developing long-term strategy for the benefit of all stakeholders.

Board of Directors is focused on the future and ensuring that PortsToronto has the business portfolio and vision to ensure that the organization remains strong and continues to serve the City of Toronto, province and country.



## Strategic Direction

PortsToronto has focused on diversification.

- Invested in the other areas of our organization over the last several years to develop greater balance between our business units.
- Diversification of PortsToronto makes the organization unique among its counterparts in the aviation and marine industries, and will provide benefit in the years ahead.



## 2019: Another Successful Year

- 2019 was another successful and profitable year for PortsToronto as the organization recorded its 12th consecutive year of profitability, generating \$61.0 million in overall revenue, with net income of \$3.5 million.
- This is in addition to successfully launching and completing infrastructure projects, community investment initiatives, and environmental programs.



## 2020: Impact of Pandemic

- The COVID-19 pandemic was confirmed in mid-March and appropriate efforts to contain the virus sent people home to isolate.
- Offices closed, projects were deferred, and airports and airlines either ceased operation or experienced a significant decline in activity.
- For PortsToronto, the decision by airline carriers to temporarily suspend commercial service from Billy Bishop Airport meant a significant and immediate impact to our revenues.
- Road to recovery will be long and it will take time to emerge from this crisis as the aviation industry recovers.



# Diversification

- Intentional and strategic decision to diversify over the last few years will benefit this organization.
- Other PortsToronto businesses have maintained near-normal business operations during this time:
  - Port of Toronto brought in the essential cargo like sugar and construction materials that keeps Toronto industry moving;
  - Outer Harbour Marina adapted its business to support safety measures and provide a positive experience for boaters; and,
  - Infrastructure team continued to develop projects and secure contracts that are essential to the continuing growth and development of Toronto.



## Economic Recovery

- Economic recovery will be top-of-mind for everyone as we progress through 2020.
- PortsToronto can be a relevant and meaningful partner for the City of Toronto because of its various businesses and commitment to contributing to Toronto's position as a world-class city.
- This includes the role Billy Bishop Airport can play as an essential asset that can drive economic recovery.



**BILLY  
BISHOP**   
TORONTO CITY AIRPORT

- The airport drives business by connecting Toronto to global markets.
- Encourages tourism by bringing people to Toronto from destinations throughout eastern North America.
- Supports the health of Ontarians by providing a base for Orange Medevac services to facilitate urgent patient care.
- Generates revenue and provides jobs for the region and invests in the community to build infrastructure and support charitable organizations.
- US Customs and Border Protection (CBP) preclearance to Billy Bishop Airport will unlock new markets and economic opportunities for increased trade and tourism to the US.



## Working Together Towards Recovery



- The Port of Toronto is a vital link in the supply chain. The marine cargo handled at the Port of Toronto generates \$377.7 million in economic activity and 1,566 jobs in Ontario.
- PortsToronto's Works and Maintenance unit dredges and cleans the harbour, maintains marine infrastructure, and supports the City of Toronto's public works efforts.



## Working Together Towards Recovery

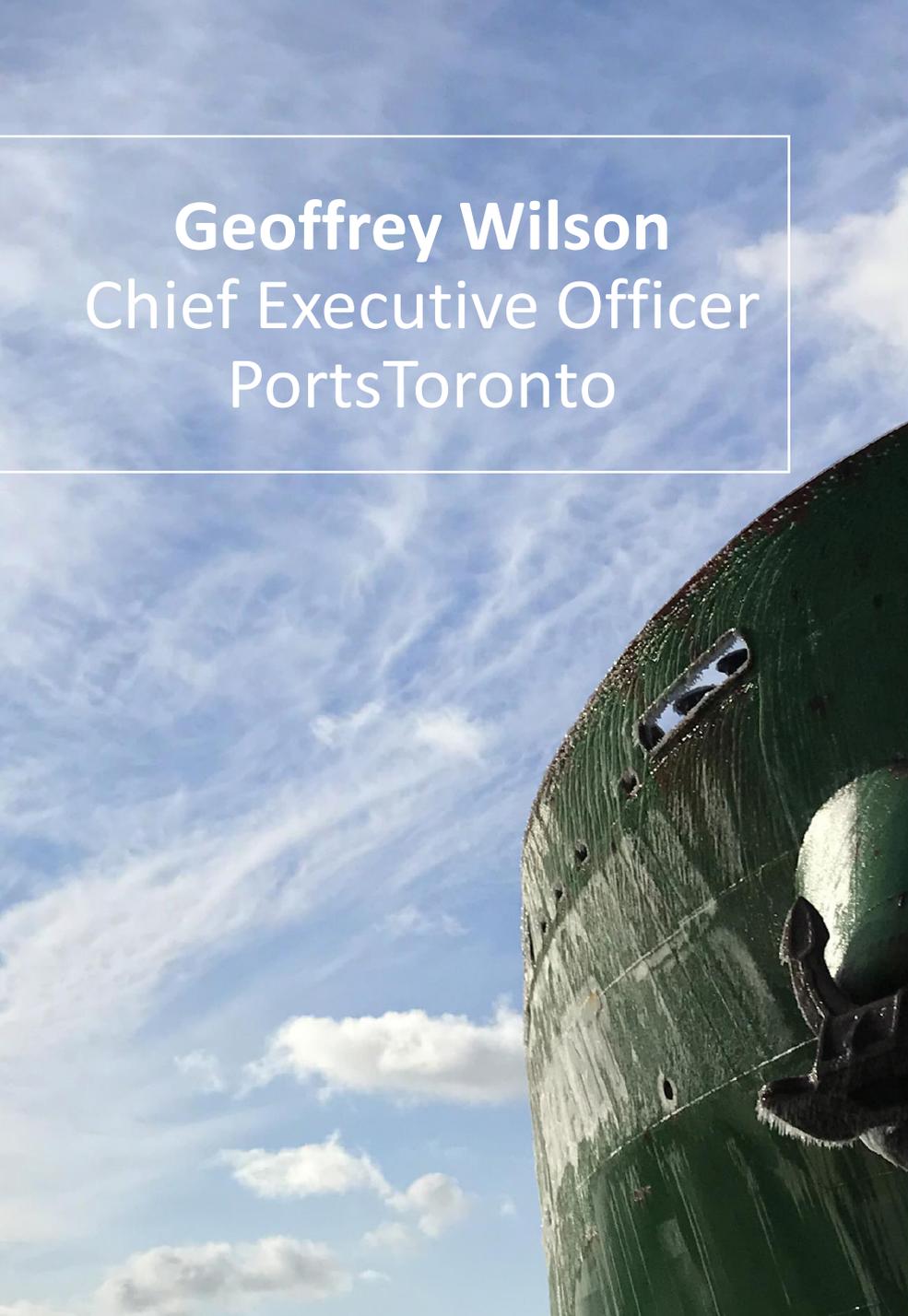


- PortsToronto has established itself as a collaborative and meaningful partner in the future of this city.
- We are keen to play a role in the economic recovery of the city, and believe we have the businesses and expertise to do so.
- Restart of the airlines and the re-opening of Billy Bishop Airport, combined with PortsToronto's other Toronto-focused businesses, can provide a strong engine for recovery.

**Thank You**



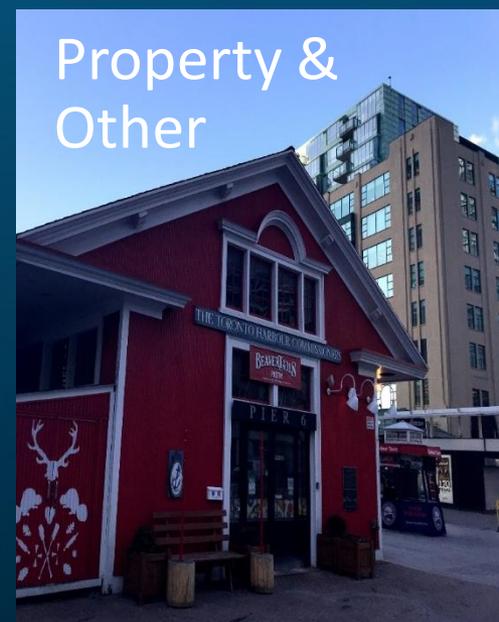
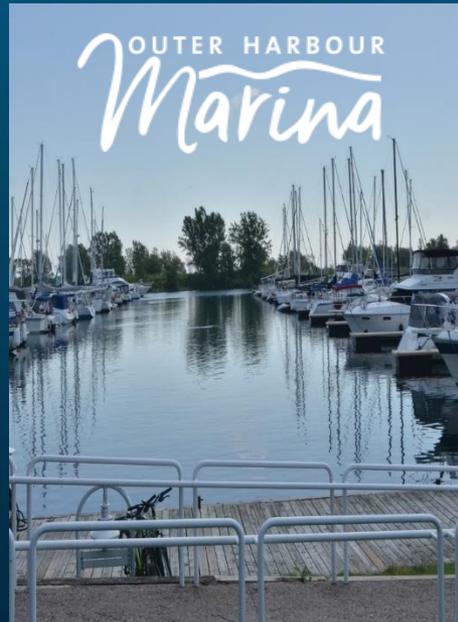
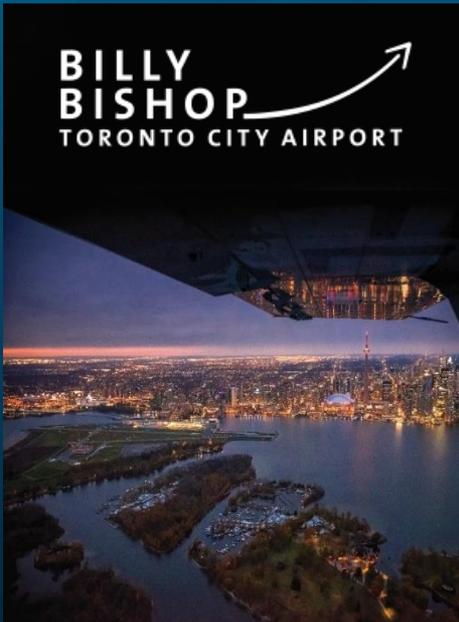
**Geoffrey Wilson**  
Chief Executive Officer  
PortsToronto





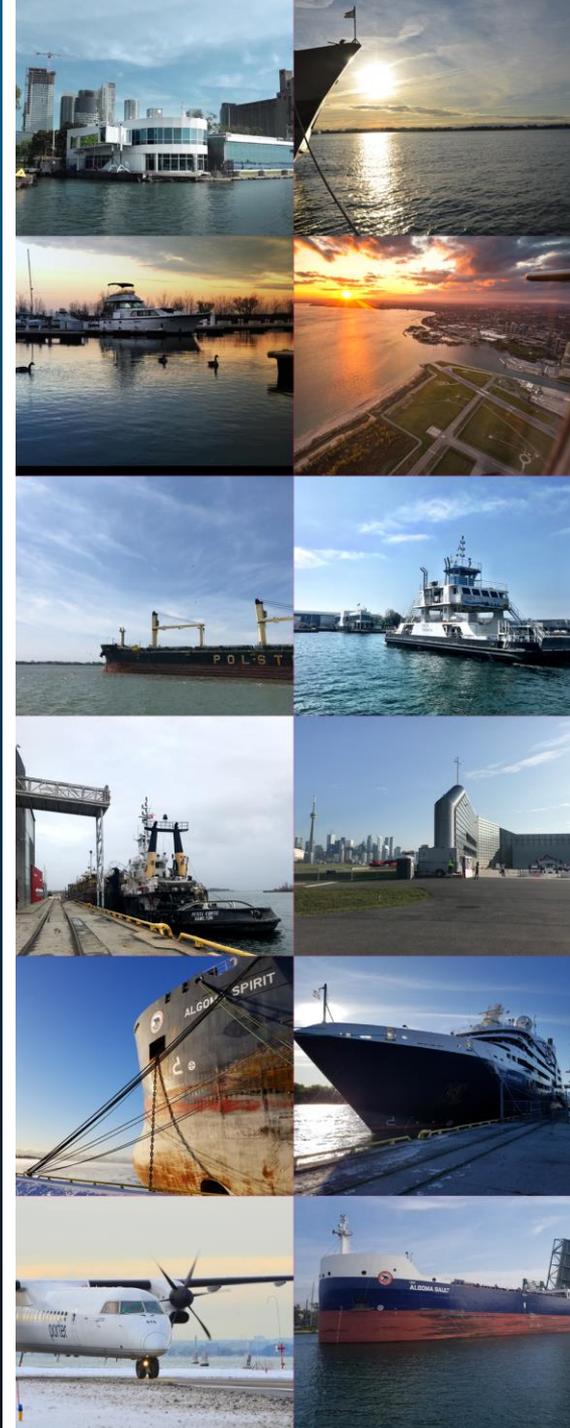
# PORTS TORONTO

In 2019 PortsToronto's four business units were profitable and reported growth in revenues.



# PORTS TORONTO

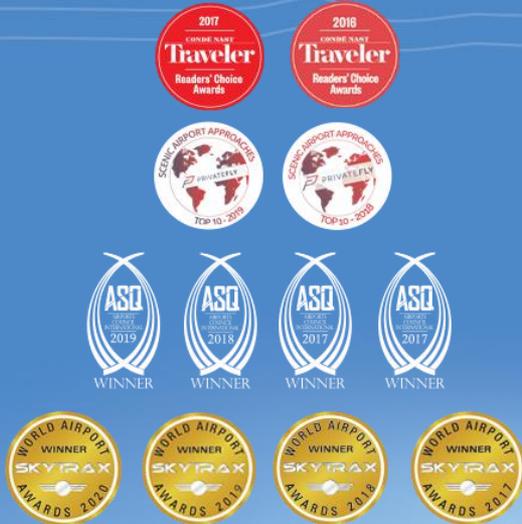
- PortsToronto experienced another strong and profitable year with net income of \$3.5 million on revenue of \$61.0 million, and all business units reporting growth and profit.
- A strong financial position is particularly important given that PortsToronto is mandated to be financially self-sufficient and self-sustaining.
- Our operational activities, infrastructure development projects, environmental initiatives and community investment programs are all entirely dependent on our ability to maintain profitability.





## Billy Bishop Toronto City Airport

- Billy Bishop Toronto City Airport continued to see ongoing success in 2019 welcoming approximately 2.8 million passengers.
- Generated revenue of \$41.7 million, including \$15.4 million in revenue from Airport Improvement Fees (AIF).
- This supported \$8.7 million in AIF-related capital initiatives and expenditures at the airport, as well as debt service for the Pedestrian Tunnel and other AIF- related bank debt.



## Billy Bishop Airport: Vision and Mission

- **Vision:** *To be the global leader for how a modern airport operates in an urban environment.*
- **Mission:** *To invest in the areas that are meaningful to our passengers, community and stakeholders. With a focus on safety, sustainability and innovation, Billy Bishop Airport is committed to continuous improvement in safety, noise mitigation, environmental protection and air quality improvements, passenger service and convenience, community initiatives and engagement, and technology development to make what is already great even better.*



# Billy Bishop Airport 80th Anniversary

- Billy Bishop Airport opened in 1939, and welcomed its first commercial flight on September 8, 1939.





**C**LEANER

**G**REENER

**Q**UIETER



## Billy Bishop Airport Master Plan

- Multi-year initiative that involved comprehensive public consultation and stakeholder engagement.
- More than 90 meetings were held with neighbourhood associations, agencies including First Nations leaders, elected officials, local businesses, airport stakeholders and community groups.
- Three public meetings held as part of the process to present updates on key areas of interest and to kick-off a 60-day public comment period.
- These comments were then reflected in the final document that was released on November 18, 2019.



## Billy Bishop Airport Master Plan

- Master Plan released in 2019 for Billy Bishop Airport is an update of the 2012 Master Plan.
- Focused on areas such as infrastructure requirements, activity forecasting, environmental initiatives, and future planning.
- Final plan also detailed priorities for Billy Bishop Airport, as well as outlining key recommendations to support the airport's commitment to managed growth that balances airport operations with community interests.
- Master Plan has won the ACI-NA Environmental Award in the Environmental Improvement with Limited Resources category.





## Marilyn Bell Ferry – Electric Conversion

- Working to decrease noise is one of the key priorities identified within our updated Master Plan and an ongoing area of focus operationally.
- Announced the commencement of another significant initiative to address ground noise in 2019 – converting the *Marilyn Bell I* passenger ferry to electric power.
- By retrofitting the ferry to electric energy, PortsToronto will eliminate both noise and pollution emissions from the ferry.
- Cost of the conversion will be paid for out of the passenger-paid Airport Improvement Fee, and not by taxpayers.

## Port of Toronto

- The Port of Toronto experienced another record year in 2019.
- Delivery of approximately 2.3 million metric tonnes of cargo and achieving the highest recorded cargo levels in 15 years.
- The number of ships calling at the Port of Toronto increased by nearly 20 per cent over the prior year, with 213 ships calling at the Port of Toronto.
- The cruise ship business also experienced a record year with 36 ships arriving in port, carrying approximately 12,000 passengers.
- The port and its activities reported operating income from all sources of \$5.2 million, up from \$3.6 million the year prior.





## Non-Maritime Businesses

- Cinespace operates a film and television production studio out of Marine Terminal 51 and, in February 2019, announced that Netflix would be establishing a production hub bringing even more jobs and opportunity to the industry and city.
- Non-maritime business activities have operated effectively alongside core industrial port operations and cruise ship activities on PortsToronto's property.
- As such, in early 2020 PortsToronto issued a Request for Expressions of Interest on two additional adjacent property segments, and we are currently working through this process.

A photograph of a construction site. Large concrete structures are covered in blue tarps. A crane hook is suspended from above, holding a piece of equipment. The sky is blue with some clouds. In the background, a city skyline is visible.

## Sustainability: Port of Toronto

- The Port plays an important role in the national transportation chain and in supporting the largest economy in Canada.
- Port has an important role to play in environmental sustainability:
  - Cargo delivered to the Port of Toronto last year took the equivalent of approximately 54,000, 40-tonne trucks off Toronto's already congested roads and highways.
  - Ship transport is significantly more fuel efficient than trucks, using one-eighth as much fuel to carry the same amount of cargo.



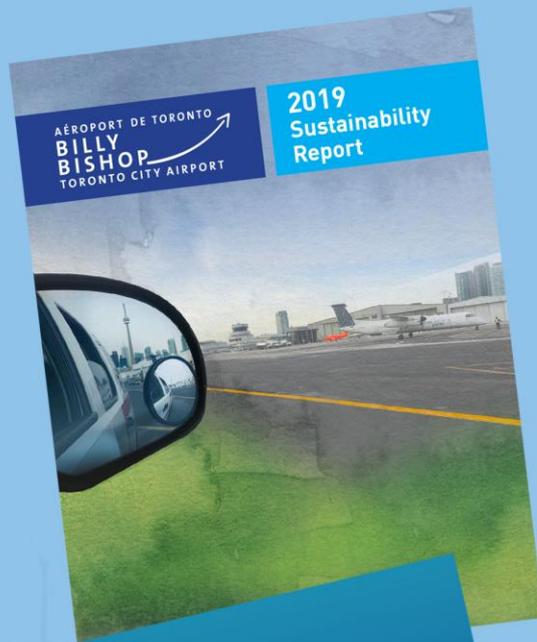
## Outer Harbour Marina

- Outer Harbour Marina experienced another solid year with income of \$1.8 million on revenues of \$4.7 million in 2019.
- Outer Harbour Marina a “5 Green Anchor Gold” rating from the Ontario Marine Operators Clean Marine program for the eighth consecutive year.
- Negligible turnover and a high customer satisfaction rating.



## Property & Other

- Property holdings and investments recorded operating income of \$2.7 million.
- Unit includes properties such as Pier 6 at the foot of York, 5 Queen's Quay and various water lots throughout the harbour.



## Sustainability Reports

- Billy Bishop Airport (May 19, 2020)
- PortsToronto, including Billy Bishop Airport (September 2020)



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## Sustainability

Reports provide an overview of our efforts in such areas as:

- Greenhouse-Gas Emissions (GHG), energy usage, waste management and initiatives to reduce carbon footprint.
- PortsToronto is one of only a few organizations in Canada to use renewable energy for its entire operations, and the only airport and port authority in Canada to do so.



## Seabins

- Seabins pilot program began in summer 2019 with the installation of two Seabins at the Outer Harbour Marina.
- In October, PortsToronto launched two additional Seabins in the northeast corner of the York Street Slip, the first such installation in a North American harbour.
- The Seabin works by moving up and down with the natural flow of water, taking in all floating debris.
- Seabins collect litter ranging from larger plastics to microplastics, as small as 2 millimetres, as well as hydrocarbons such as fuel and oil.
- Capacity to collect upward of 4 kilograms of debris in one day, and filtering as much as 1.4 metric tons of trash per year.

# FAST FACTS



## 1 SEABIN

Can collect more than four kilograms of waste per day including microplastics, floating natural debris and larger plastic waste.



## 100% Recyclable

Seabin construction is 100% recyclable.



## 2000 pieces of plastic *[24 hours]*

In 24 hours, 2000 pieces of plastic were captured by two Seabins during **Phase One** of the Seabin Pilot Project at the **Outer Harbour Marina**.



## 1.4 metric tonnes

One Seabin can collect 1.4 metric tonnes of waste per year including microplastics, floating natural debris and larger plastic waste.



## 2 mm microplastics

The Seabins can capture microplastics as small as 2 millimeters—smaller than a grain of rice.



## Seabins: U of T Trash Team

- Seabins also served a research and education function.
- PortsToronto partnered with the University of Toronto Trash Team on a student-research project led by Dr. Chelsea Rochman, Assistant Professor of Ecology and Evolutionary Biology.
- Program informed the Trash Team's solutions-based research and community outreach program which ultimately seeks to increase waste literacy and prevent plastics and microplastics from entering waterways in the first place.

# Community Investment

- PortsToronto's work with the environment and in support of community initiatives represented more than \$12 million in community and environmental spending over the last decade.



Windward Co-operative Homes



The Bentway





## 2019: Year in Review

- Ended 2019 on a high-note having achieved our 12th consecutive year of profitability, the launch or completion of many important city- building and community initiatives, and the promise of an equally successful 2020 based on planning and results experienced in the first few months of the year.



## 2020: Emergence of Global Pandemic

- In mid-March the COVID-19 global pandemic was confirmed and countries around the world closed their borders and instituted a state of emergency.
- Porter Airlines and Air Canada announced the temporary suspension of commercial service from Billy Bishop Airport.
- The passenger terminal and all concessions closed.
- Nearly two-thirds of PortsToronto annual revenue ceased overnight.
- In the months since, Ornge medevac service has been the only continuous service operating from airport, in addition to a handful of Fixed-Base-Operators and General Aviation flights.
- PortsToronto immediately contained costs, cancelled all non-essential capital projects, reduced our staff complement, and deferred expenses.



## The Road to Recovery

- Starting to see signs of recovery.
- Some of the smaller operators such as Helitours and FlyGTA have resumed operations from the airport.
- Commercial carriers to re-start operations at the end of August 2020.

**Wear a Mask.**  
Keep yourself  
and others safe.

Masks or face coverings are mandatory for all interior spaces within the City of Toronto and are required by Transport Canada for everyone's safety. Please do your part and wear your mask or face covering when travelling through Billy Bishop Toronto City Airport.

To learn more please go to  
[www.BillyBishopAirport.com/SafeTravels](http://www.BillyBishopAirport.com/SafeTravels)

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BISHOP**  
TORONTO CITY AIRPORT



**Be wise. Sanitize.**

Billy Bishop Airport has implemented additional cleaning measures and has installed sanitizer stations to help keep you safe.

**Soyez futés,  
désinfectez**

À l'Aéroport Billy Bishop, des mesures de nettoyage supplémentaires ont été prises et des postes de désinfection ont été installés afin de vous protéger.

AÉROPORT DE TORONTO  
**BILLY  
BISHOP**  
TORONTO CITY AIRPORT



**The world has changed,  
and so has our airport.**

Your safety is our top priority so Billy Bishop Toronto City Airport has implemented the YTZ Safe Travels Program which includes additional safety procedures and cleaning measures to ensure a safe and healthy travel environment.

To learn more please go to  
[www.BillyBishopAirport.com/SafeTravels](http://www.BillyBishopAirport.com/SafeTravels)

AÉROPORT DE TORONTO  
**BILLY  
BISHOP**  
TORONTO CITY AIRPORT



# Safe Travels Program

- Comprehensive health and safety programs are introduced by airlines and airports to assure the travelling public that it is safe to fly.
- Launch of Billy Bishop Airport's Safe Travels Program in early August.



## Non-Aviation Businesses

- PortsToronto's non-aviation businesses have remained relatively strong.
- The marine Port of Toronto has continued largely unaffected throughout the pandemic, receiving cargo from around the world such as salt, sugar and construction materials that have kept Toronto industry moving.
- Outer Harbour Marina opened in May 2020 and has implemented new restrictions and protocols for public safety to ensure everyone can have a good summer.



## Non-Aviation Businesses

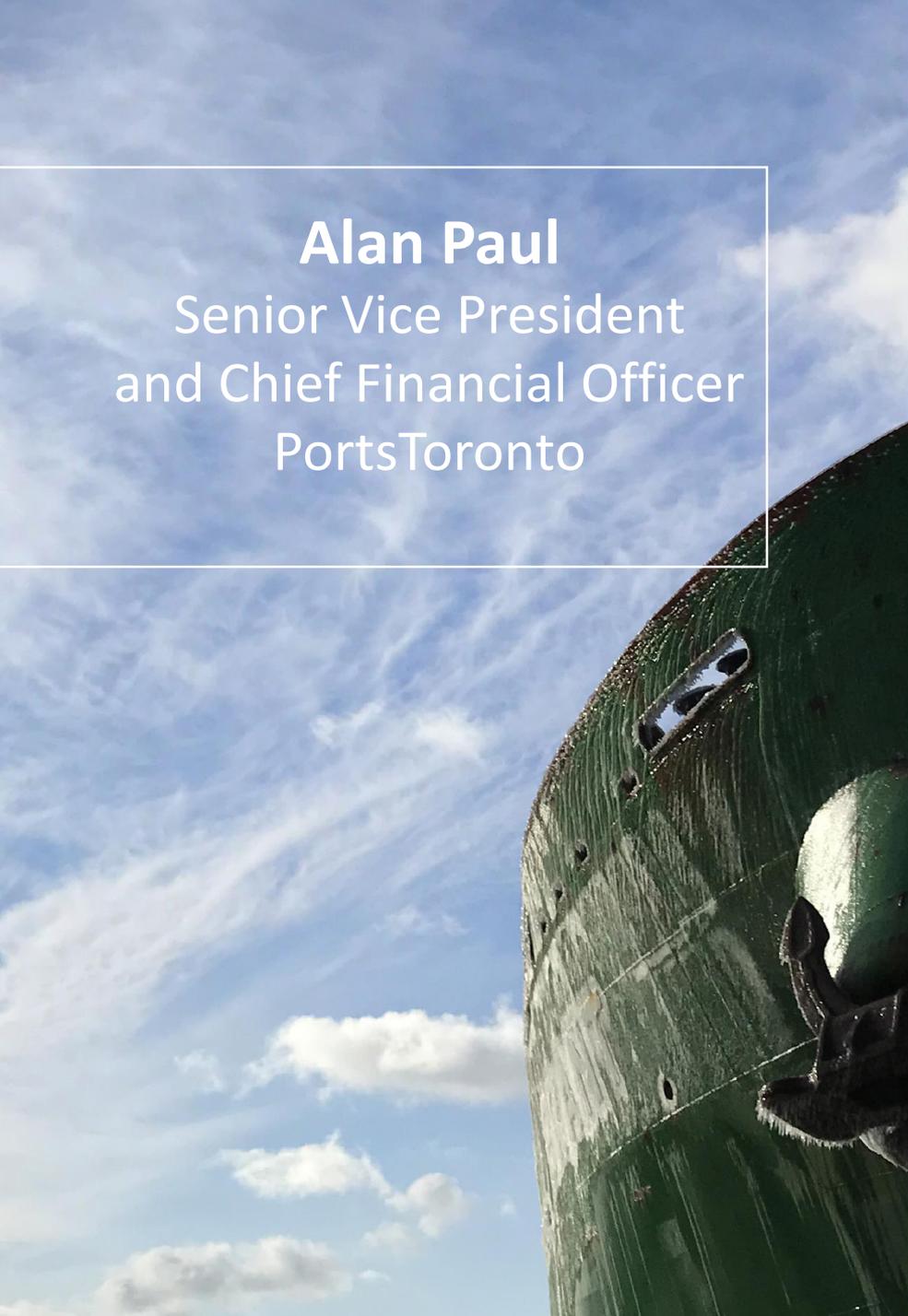
- PortsToronto Works and Environmental Services department continued to work throughout the pandemic on important projects:
  - Dredging of the harbour and flood protection;
  - Infrastructure maintenance; and,
  - Construction at the airport associated with the City of Toronto's Bathurst Quay Neighbourhood Plan.



## The Months Ahead...

- The contrast between 2019's strong results and 2020's new business realities is significant.
- PortsToronto is committed to getting the airport back to business and providing a safe and healthy passenger experience that will support the economic recovery of Toronto and the national aviation system.

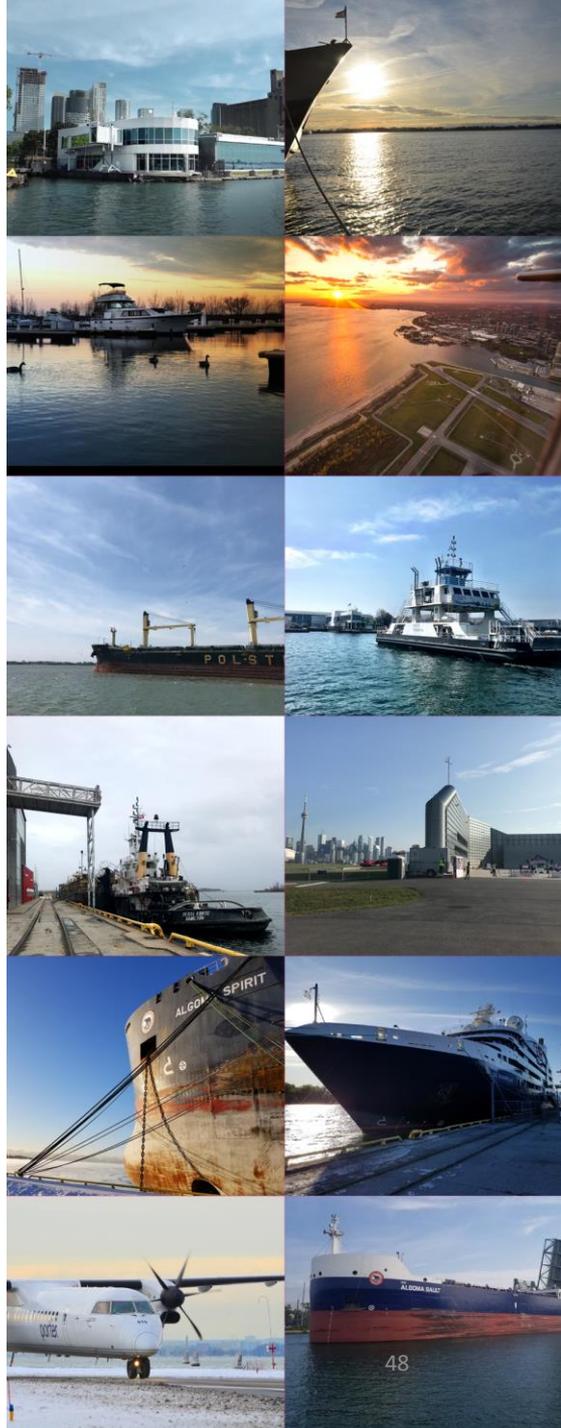
**Alan Paul**  
Senior Vice President  
and Chief Financial Officer  
PortsToronto





# Audited Financial Statements

- Audited Financial Statements and MD&A posted on PortsToronto website on June 11, 2020.
- PortsToronto auditor Deloitte LLP provided a “clean” audit opinion for 2019.
- IFRS presentation of financial statements similar to other 16 port authorities.



## Financials: 2015 to 2019

(\$ in millions)	2019	2018	2017	2016	2015
Revenue	\$ 61.013	\$ 60.029	\$ 60.905	\$ 59.696	\$ 57.121
Expenses	\$ 36.740	\$ 37.119	\$ 35.452	\$ 34.279	\$ 33.692
Income from Operations and AIF	\$ 24.273	\$ 22.910	\$ 25.453	\$ 25.417	\$ 23.429
Net Income	\$ 3.531	\$ 3.525	\$ 6.477	\$ 6.684	\$ 5.897





## Audited Financial Statements

- PortsToronto recorded \$61.0 million in total revenue for 2019.
- Substantial contributions for public benefit: \$3.0 million in Federal Gross Revenue Charge, \$3.1 million in Payments in Lieu of Taxes, and \$2.5 million in Property Taxes both to the City of Toronto for a total of \$8.6 million.

**Thank You**



## The Future

- Business for PortsToronto is certain to look somewhat different in 2020, as we pivot our plans to adapt to the “new normal” and re-start the airport.
- Commitment to conducting ourselves in the year ahead with transparency and in the spirit of collaboration and communication.
- We are, as ever, committed to doing what we can to support the economic recovery for Toronto and work with our government partners wherever needed to support plans and initiatives to get Canada on its feet again.

# Question and Answer Session



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THANK YOU

*Stay Healthy  
and Stay Safe*

