



**PortsToronto Annual General Meeting**

**Chair's Remarks**

**Robert Poirier**

**July 16, 2020**

**Check Against Delivery**

Good morning

Thank you Geoff and welcome to PortsToronto's Annual General Meeting. On behalf of my fellow board members, and the staff and senior management team, thank you for participating in this online meeting.

Each member of our Board of Directors is participating in this online meeting today and is available to answer questions.

I will take a moment to introduce them to you now:

- Darin Deschamps, federal Minister of Transport's appointee. Mr. Deschamps serves as Chair of our Audit & Finance Committee with responsibility for our Enterprise Risk Management program and also chairs our Pension Committee;
- Hellen Siwanowicz, federal appointee serving on both our Audit and Governance and HR Committees;
- Don McIntyre, federal appointee and Chair of our Communications & Outreach Committee; and,
- Amanda Walton, who is our City of Toronto appointee and Chair of our Governance and HR Committee.

I am also pleased to introduce Chris Reynolds, who was appointed by the Province of Ontario in April of this year. Mr. Reynolds replaced Jan Innes who had been our provincial appointee, and served with distinction on our Board for the full nine years. Jan's final term expired in August of 2019.

I take this opportunity to thank Jan for all of her hard work and dedication on our Board over the years. As an experienced board member and communications and public affairs expert, Jan was instrumental to our Board in the years she served, balancing our profitable growth with community and environmental sustainability.

To name but a few examples of her achievements, Jan, as a board director and chair of our Communications and Outreach Committee, oversaw with the board and management team:

- Millions of dollars in donations, sponsorships and in-kind contributions to community initiatives, activities and events, that facilitated the long-term success and growth of the Toronto waterfront area.
- The introduction of the Community Liaison Committee in 2010 with community residents and stakeholders to expand engagement to a quarterly basis and ensure Billy Bishop Airport is responsive to the needs of its neighbours.
- Multiple macro deals with the City of the Toronto, including the construction of City utilities, servicing residents of the Toronto Islands, incorporated into our pedestrian tunnel project, saving the City approximately \$10 million in redundant construction.

- The Agreement with the City of Toronto in 2015 on Payments in Lieu of Taxes or PILTs, which was later enshrined in regulation by the Province addressing all PILTs related matters dating back to 1999.
- The design and implementation of our Noise Management Program including noise sensors on our property and within the community combined with regular community reporting and engagement to reduce the impact of noise. The program also saw significant investments in noise reduction technologies including the completion of our Ground Run-up Enclosure, at a cost of \$9 million dollars.
- The announcement to electrify our airport ferry using expertise and technology found here in Ontario and across Canada.

On behalf of PortsToronto, thank you Jan.

As evidenced by the aforementioned, 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.

As directors, we are also focused on the future and ensuring that we have the business portfolio and vision to ensure that the organization remains strong and continues to serve the City of Toronto, province and country.

This directive has never been more important than it is right now. For the last several years, PortsToronto has been concentrating on business diversification. We remain very focussed on Billy Bishop Airport, which contributes approximately two-thirds of our annual revenue and is our primary asset, but we have also invested in the other areas of our organization over the last several years to develop greater balance between our business units. It is this diversification of PortsToronto that has made the organization unique among its counterparts in the aviation and marine industries and will benefit us in the years ahead.

As Geoff will speak to in a few minutes, 2019 was another successful and profitable year for PortsToronto as we recorded our 12<sup>th</sup> 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. The first few months of 2020 promised to build on this success.

Then the world changed. The COVID-19 pandemic was confirmed in mid-March and appropriate efforts to contain the virus and reduce strain on the healthcare system sent people home to isolate. Offices closed, projects were deferred, and airports and airlines either ceased operation or experienced significant declines in activity around the world.

For our part, the decision by our airline carriers to temporarily suspend commercial service meant a significant, immediate and material impact to our revenues. Together with management, we found it necessary to make difficult decisions and last month materially reduced a number of staff and eliminated open positions. We also canceled the 2020 Incentive Bonus Plan for both management and participating staff, and reduced 2020 board member fees by 20%.

The road to recovery may be long and it will certainly take time to emerge from this crisis as the aviation industry recovers.

It is for this reason that our intentional and strategic decision to diversify over the last few years will be of benefit to this organization. The optimal balance we seek between our businesses is still a work in progress, but we are fortunate that our other businesses have maintained near-normal operations during this difficult time. This includes the port that brings in the essential cargo like sugar and construction materials that keeps Toronto industry moving; the Outer Harbour Marina that has adapted successfully to support safety measures and has welcomed back the majority of its boaters; and our Infrastructure team that continues to develop projects and secure contracts that are essential to the recovery and continuing growth and development of Toronto.

Economic recovery will be top-of-mind for everyone as we progress through 2020. PortsToronto will be a relevant and meaningful partner for the City of Toronto during this time because of its various activities, and our commitment to contributing to Toronto's position as a world-class city.

This includes the role Billy Bishop Airport can play. As an urban airport located in the heart of one of the world's great cities, Billy Bishop Airport is an essential and unique asset that can drive economic recovery. It is believed that regional travel will be the first segment to recover, and that is our core business at Billy Bishop Airport.

Billy Bishop Airport drives commerce and trade by connecting Toronto to global markets such as New York, Ottawa, Montreal, Washington and Boston. It encourages tourism by bringing people to Toronto from destinations throughout eastern North America. It generates revenue and provides thousands of jobs for the region. And, it invests in the community to build infrastructure and support charitable organizations. Billy Bishop Airport plays an integral role in servicing Toronto and contributing to what makes this city truly world class. It also supports the health of Ontarians by providing a base for Ornge Medevac services to facilitate urgent patient care and other fixed-wing emergency services supporting Northern Ontario.

In the future we plan to bring US Customs and Border Protection preclearance to Billy Bishop Airport to make our airport even more efficient for passengers, and unlock new markets and economic opportunities for increased trade and tourism to the US.

With regard to the Port, in addition to being an environmentally sustainable mode of transport and 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 each year.

And our skilled Public Works and Maintenance unit that dredges and cleans the harbour, maintains important marine infrastructure and supports the City of Toronto's efforts.

Whether supporting Waterfront Toronto in its Port Lands flood protection project, or working with the City of Toronto on addressing rising water levels, or partnering on the repair of dock walls and building public realm space, PortsToronto has established itself over the last several years as a collaborative and meaningful partner in the future of this city. We will play an important role in the economic recovery of the city, and believe we have the businesses and expertise to do so.

The year ahead will be challenging for all businesses in all industries, particular those in aviation which are critical to supporting economic activity. With the restart of the airlines and the re-opening of Billy Bishop Airport, combined with PortsToronto's other Toronto-focused businesses, PortsToronto can provide a strong engine for recovery.

With that I will conclude my remarks. I wish to thank PortsToronto's management and staff for their achievements in 2019, and for their professionalism and commitment during the difficult months of 2020. I wish to also recognize the professional and talented Board Members with whom I serve and who have steered PortsToronto to achieve great things in 2019, and will serve an important role forging our recovery in 2020.

I wish to also thank our stakeholders, First Nations, and government partners, including the City of Toronto, the Waterfront Business Improvement Association and Transport Canada.

And finally, thank you to the members of the community with whom we work 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 very much.

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