



GUELPH  
JUNCTION  
RAILWAY

**2021**

**Annual Report to the Shareholder**

**Guelph Junction Railway**

## **Chair's message to the shareholder**

On behalf of the Guelph Junction Railway Board of Directors, it is my pleasure to present the 2021 Guelph Junction Railway Limited Annual Report.

This past year, the Guelph Junction Railway (GJR) continued its focus on safety, fiscal responsibility, and service delivery, aligned with the priorities of the City of Guelph's Strategic Plan: Guelph. Future Ready. The GJR's goal is to provide easy, safe, and accessible movement of goods along almost 40 kilometres of track, and to connect Guelph's economy with other regions. We do this by innovating and providing service excellence to our customers.

In fall 2020, GJR awarded a contract to Goderich-Exeter Railway to operate the railway. With this change, the GJR was able to manage contractors who perform routine track and signal maintenance. Having this personal oversight over maintenance has improved safety, increased efficiency, and lowered costs of operations while the GJR has continued to grow the railway business in line with the City's standards of excellence.

Despite a difficult 2020 due to the global pandemic, our financials in 2021 show that the GJR was able to adapt and successfully resume business as things opened again. The railway earned a net income almost double that of 2020. With higher-than-expected revenues, and because a dividend was not possible in 2020, the GJR is declaring a \$105,000 dividend to the City of Guelph for 2021.

As we returned to business, we refocused efforts on making improvements to the railway including signal equipment, rail/switch and track upgrades and at-grade road crossings. Reinvesting in capital infrastructure keeps our service competitive, and ensures we meet legislative requirements and operate safely and efficiently.

Looking ahead, we'll continue to find innovative ways to keep pace with changing market demands as we support economic growth in Guelph and the surrounding communities.



A handwritten signature in blue ink, appearing to read 'Scott Stewart', written in a cursive style.

Sincerely,  
Scott Stewart  
Chair, Guelph Junction Railway Limited

## **Our History**

The Guelph Junction Railway (GJR) was created by a Special Act of the Federal Parliament, originally passed in 1884, and began operations in 1888. The railway has been with the city longer still, with the Grand Trunk Railway (now Canadian National Railway or CNR) having operated in the city since 1852. Guelph's business leaders attributed the city's early growth and prosperity to its access to competing rail lines and expanding markets.



By 1910, the GJR's founding Act had been amended to allow the City of Guelph to become the sole Shareholder. Today, the GJR is unique in being wholly municipally owned, with only two others in Ontario out of a dozen across the country.

For over a century, the GJR was run by the Canadian Pacific Railway (CPR) under a lease agreement. Its Board met annually in order to declare a dividend. In 1998, the CPR terminated its lease agreement and the City, on behalf of the GJR, purchased the CPR's remaining real property and track within the city of Guelph.

2020 was a year of change for the GJR and the City of Guelph. Ontario Southland Railway (OSR), a rail contracting company, which officially took over on January 1, 1998, and had continued working with the GJR as a provider through to 2020, made changes in its operations and, therefore, ceased operations for the GJR in August 2020. Goderich-Exeter Railway (GEXR) was awarded the new switching contract with a start date of September 2020 and manages moving freight several industrial manufacturers and producers within Canada and the United States.

Currently operating on 38.6 kilometres of track through Campbellville, Puslinch, Arkell and Guelph, the GJR remains connected on two sides to both Canadian National Railway and CPR.

**Corporate Structure**

In 2015, the GJR was approved for a continuance under the Canada Business Corporations Act to allow for a more modern governance structure and to bring clarity to long-standing questions about the GJR’s place in the complex Canadian railway regulation scheme. Part of this process involved a change in the name of the corporation to Guelph Junction Railway Limited (formerly Guelph Junction Railway Company).

The relationship between the GJR and its sole Shareholder, The Corporation of the City of Guelph, is governed by a Shareholder Declaration that was updated in 2015. Additional changes were made at that time to the Board of Directors, given that additional officers were appointed to support the relationship with the City, provide better support to the existing Board and the GJR’s general manager. These changes were in effect until the end of 2018.

**Governance Structure**

After the Shareholder’s Annual General Meeting of June 2019, the decision to update the structure of the GJR’s Board of Directors was made. With it came a more linear corporate governance structure that eliminated the Board positions held by external parties and amalgamated the position of CEO and Board director, such that those positions are now occupied by the same person: the City’s chief administrative officer.

The approved report also recommended that a new Shareholder Declaration be prepared to reflect the proposed rationalized corporate governance structure for the GJR. This will be done in 2022.

Figure 1: GJR Corporate Governance Structure

<b>GJR</b>	
<b>OFFICER TITLE</b>	<b>CITY POSITION</b>
Chief Executive Officer	Chief Administrative Officer
Chief Financial Officer	Deputy CAO - Corporate Services
Corporate Secretary/Legal	City Solicitor
<b>BOARD OF DIRECTORS</b>	
Director	Chief Administrative Officer

## **Vision, Mission and Values**



To better serve the City as Shareholder and follow up on changes to the corporate structure of the railway in favour of a more modern, business-oriented approach, the GJR Board of Directors developed the following statement of vision, mission and values that was adopted in early 2017.

This statement serves as an overarching guide to the Board's decision making as the GJR moves forward into the future.

### **Our Vision**

- To safely capitalize on the efficiency of rail transportation while serving the City of Guelph

### **Our Mission**

- To focus on building an economically sustainable and socially and environmentally responsible business through safe and efficient operations and excellent customer relations

### **Our Values**

- Serving and adding value to our clients and community
- Creating business opportunities that increase the use of rail
- Transparency that builds trust and confidence
- Railway safety and operations consistent with best industry practices
- Collaboration with suppliers and clients

Throughout 2021, the GJR has been consistent in upholding these values while working toward its vision. Inspections conducted by Transport Canada have found the GJR in compliance with safety regulations, and any recommended upgrades have been implemented well before the allotted deadline required.

## **Strategic Direction**

In conjunction with the mission, vision and values statement, the GJR's Board of Directors adopted the following strategic directions:

1. Strengthen our organizational capacity and operational infrastructure by creating, executing and managing:
2. A shared service agreement with the City;
3. A staffing plan;
4. A Board succession plan; and
5. An asset management plan (in progress).
6. Increase and diversify revenues through creative partnerships and new sales opportunities.
7. Develop short-term business plans that align with the City's strategic priorities.
8. Develop a long-term growth plan that will be ready to manage anticipated sector, and regulatory environmental changes:
9. The City's future needs around rail (freight and passenger);
10. The Province's future needs around rail (freight and passenger); and
11. Identify land within and near the City that may be available for rail development.
12. Connect with our Shareholder and stakeholders through strong communications:
13. Use the GJR's website to assist with business development and stakeholder communications.

### **Relationship to the City of Guelph's Strategic Plan: Guelph. Future Ready.**

The GJR works to align its activities with the City's Strategic Plan. The most synergy between the City and the GJR occurs in the Powering our Future, Navigating our Future, and Sustaining our Future priority areas.

### **Powering Our Future**

The GJR supports the Powering our Future priority through its focus area of helping businesses to succeed and add value to the community. With a safe operating record and good business foundation, the GJR offers benefits such as directly contributing millions to the local economy.

GJR provides services to 18 customers, and through interviews, City staff can confirm that the presence of the railway is essential to the continuation of the customers' operations. Some Guelph companies rely almost solely on railway services, without which they would cease to operate. The GJR's customers take comfort in knowing that the railway is City owned and monitored. Without the keen attention to economic development that the municipally-owned railway currently takes; these companies would likely no longer see

project planning or site development in the interest of helping to expand their businesses through rail commodities.

The GJR also indirectly benefits the local economy by drawing new business to the city. The North Industrial sector possesses the advantage of accessible track and, in many cases, the space to build spur lines directly to the facility for loading and offloading ability. For those businesses that are unable to build or lease on rail-accessible land, there is still the option of bringing in inventory through a trans-loading facility.

### **Sustaining Our Future**

As green infrastructure, rail also helps to serve the City's ambitious energy and environmental goals. The Corporate Energy Management Plan outlines Guelph's intentions of being a greener city with a plan to meet the target of 100 per cent renewable energy and becoming a net zero carbon community by 2050. According to the Official Plan, transport accounts for 30 per cent of energy used and 45 per cent of greenhouse gas (GHG) emissions in Guelph. A locomotive can move one tonne of freight more than 200 kilometres on a single litre of fuel, making it a highly energy efficient means of transportation and a low emitter of GHGs.

With a single railcar able to handle the load of three to four conventional trucks, the more than 5,000 railcars that the GJR transported in 2021 diverted about 20,000 trucks from the city's local roads and highways in just one year. This improves traffic flow for residential automobiles on the roads and reduces taxpayers' costs associated with road maintenance as well as traffic-related collisions. With the average transport truck emitting 202 tonnes of greenhouse gases per year, the railway also helps to reduce emittance by about 2.75 million tonnes per year by operating at a fuel efficiency of four to five times that of trucks.

### **Navigating Our Future**

Through co-operative collaboration with other municipal departments, the GJR supports Navigating our Future in its efforts to help in the expected outcome of accessible movement through trails and corridors to connect Guelph's economy with other regions. Already, the railway works as an excellent resource to allow the transport of goods. The GJR extends outside of the city's limits and meets on either end with other major Class 1 railways as part of a widespread national rail network, supplying the region and many other Canadians.

Within the city itself, the GJR aids in the construction and connection of trail networks that follow the railway and provide a safe, easy way to get around or through Guelph. The future of rail within the city looks ahead to not only the movement of goods, but also the movement of people. Quick connectivity from the south end of Guelph all the way to the heavy employment area of the North Industrial could offer a drastic change in quality of life for Guelph residents. This could be a reality in the future with continued investments and careful planning that aligns with the municipal master plans.



## Relationship to the Economic Development and Tourism Strategy, 2022–2026

The GJR is a division of the Economic Development and Tourism department and is included in the Economic Development and Tourism Strategy, 2022-2026 presented to City Council in January 2022. The GJR is uniquely placed to drive prosperity for local businesses and elevate the competitive advantage for businesses in Guelph as the provision of daily rail and transloading services is a unique offering comparative to other mid-sized cities. The enhanced goods movement and connectivity to other markets for rail customers provided by the GJR is highlighted within the strategy to attract targeted industry investment.

## Financial Update

In 2021, total revenue increased by \$1.1 million (28.1%) as compared to 2020 revenue. The GJR's 2021 revenue exceeded budgeted expectations by \$763,000 (17.6 per cent)

The most significant area of variance was freight movement revenue, which was \$645,000 (16.7 per cent) above budget. This significant increase is due to freight car volumes rebounding to pre-COVID-19 levels and the growth of tariff revenue earned.

Tariff revenues have increased substantially since the change of rail operators to GEXR. The increase in tariff revenue is slightly offset by an increase in freight movement costs paid to GEXR. The ratio of freight revenue compared to freight costs has increased from 1.50 in 2020 to 1.93 in 2021, showing increased gross profit in freight operations since the switch to GEXR.

## Guelph Junction Railway Limited

### Statement of comprehensive income year ended December 31, 2021

	2021	2020
	\$	\$
<b>Revenue</b>		
Freight movement	4,507,016	3,455,219
Non-freight movement	498,496	442,810
Amortization of deferred capital contributions	95,859	85,842
	<b>5,101,371</b>	<b>3,983,871</b>
<b>Expense</b>		
Freight movement	2,335,132	2,304,549
Track maintenance	610,461	292,112
Bad Debt	-	5,767
Depreciation	437,142	410,195
Administration and office	586,326	324,269
Interest on long-term debt	44,452	50,807
Expropriation costs	17,342	32,283
Business development	6,665	25,500
Audit & legal	9,233	8,640
	<b>4,046,753</b>	<b>3,454,122</b>
<b>Net comprehensive income for the year</b>	<b>1,054,618</b>	<b>529,749</b>



The GJR declared a \$105,000 dividend to the City of Guelph in 2022 based on the 2021 financial results. This is calculated at the upper threshold of GJR's policy guideline, which allows a dividend payout rate of 0 to 10 per cent of net income.

The GJR made capital acquisitions of \$981,000 (about 19 per cent of 2021 revenue). Capital contributions totalled \$332,000, which offset the GJR's cost of capital investment. In 2017, the Board of Directors approved the Capital Investment Policy that states the average capital contribution target should be above 16 per cent of revenues annually. The GJR has met this target over the past six years and continues to monitor these ratios quarterly to ensure annual targets are met. The GJR operates in a capital-intensive industry with management focusing on reinvesting in capital infrastructure to ensure the GJR remains competitive in the future, meets legislative requirements, and operates in a safe and efficient manner. The Board was pleased with the performance of the GJR in 2021.

## **Business Development**

The GJR provides services to 18 customers, six of which provide most of the revenue for the corporation. The GJR's only competition in Guelph is the Canadian National Railway, whose activities are limited to the city's Northwest Industrial Park and the connection through the Alma rail yard to the main CN line. With the anticipation of two-way all-day GO service between Kitchener and Toronto, the increased passenger trains on the main line will tighten the window for CN freight train availability to service Guelph. This could create the opportunity for the GJR to take over switching traffic that previously came daily with CN.

The GJR continues to pursue local business development as a major focus. In 2021, the GJR constructed a new siding at Lewis Road on the south industrial spur, to keep up with increases to railcar volumes seen with two of our Guelph customers.



Additionally, the GJR continued to focus heavily on reinvesting into capital programs along the rail to meet or even exceed Transport Canada expectations. Soaring ahead of most short-lines in their ability to reinvest capital to increase capacity, speed, and performance, the GJR is comparable to Class 1 railways in Canada for reinvestment, which have a minimum capital improvement rate of 16 to 20 per cent of revenues. From 2015 to 2019,

the GJR implemented track upgrades that raised it from Track Class 1: 10 mph to Class 2: 25 mph; however, the speeds remain low within city limits by choice of management for safety reasons. Improvements to the track provide the GJR's customers with faster delivery of goods, more reliable service, and options for dimensional loads. All of this allows the GJR to remain competitive in the rail service environment and a desirable option for businesses looking into exploring rail service as an alternative to commercial trucking.

Car counts were back up and more directly comparable to the strong year of 2019, despite the economy still struggling to recover from COVID-19 losses with a total increase of 742 cars from 2020. Overall, the GJR operated with an increase of 22 per cent in car volumes from 2020, only three per cent less than 2019. Other short-line railways and Class 1s, as reported in "Progressive Railroading," reported an increase of seven per cent compared with 2020 within the North American rail industry. The GJR fared quite well in comparison.

The GJR strives to be complementary with the strategic objectives of the City of Guelph and seeks to work collaboratively with Shareholders and customers to build a robust system that ensures fiscal and service sustainability, while attracting business and providing a safe and environmentally conscious service to the city.

## **Operations and Capital Maintenance**

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### **Operations**

Rail operations continue to be provided by GEXR under the terms of a new operating agreement signed in August 2020. The GJR receives independent revenues from flagging for third parties, railcar storage contracts, and other tariffs, and is responsible for the invoicing for the additional revenues, including freight revenues with CN and CP. The GJR now manages all maintenance and inspections of signals, track and crossings as well as all third-party flagging contracts noted above through the contracted services of PNR Railworks.

### **Capital Programs**

The GJR has adopted a life cycle approach to its capital maintenance program and identifies infrastructure maintenance priorities annually. This ensures the GJR maintains financial health and continues with the recapitalization of infrastructure and pursuit of long-range strategic growth objectives. The GJR's guiding principle is to operate in a safe manner, and in accordance with the requirements of the Shareholder Declaration and federal transportation regulations.

The GJR completed several large-scale capital projects over the course of 2021, which included the following:

#### **Tie Replacement Program**

The GJR identified failing ties for replacement along the main track within Guelph. In 2021, 752 cross ties and 75 switch ties were replaced. All tie replacements occurred between Guelph Junction in Campbellville and 1st Line in Milton.

**Scrap Tie Clean Up**

Ties that were pulled from railway improvement projects in 2020 were stockpiled for disposal in 2021 due to the scrap tie disposal budget being reduced in 2020. All the 2020 stockpiled ties and additional heritage ties were cleared out in 2021. Special attention was given this year to the scrap ties found along the railway line through Puslinch Township. The GJR disposed of 4,200 ties in 2021. The preferable recycling option for used treated wood is the recovery of solid wood. Subsequent recycling options include fibre recovery and energy production. The GJR sends its creosote-treated wood to one of two approved Canadian co-generation facilities that have permits to use treated wood as supplementary fuel in their co-generation units.



**Ballasting and Surfacing Program**

New track ballast was delivered and distributed within the South Industrial and on the main track between MP 21.25 – 17 for a total of 2,700 tonnes. Track surfacing brings the level of the track to new standards of safety, providing maximum performance and extending the life cycle of track components. Ballasting provides a stable base for the track and allows for better drainage, which extends the life of the ties.



## **Grading**

Grading between the end of track main switch MP 34.2 and Woodlawn Road continued as the GJR is planning to realign the end of track and remove seven curves by way of making the track straight. This will reduce high maintenance costs in the near future and improve sightline visibility. The GJR is taking small, gradual steps to also prepare for the potential Trans Canada Trail system connections.

## **South Industrial Lewis Road Siding**

The GJR completed a siding expansion at Lewis Road to accommodate a significant permanent increase in car volumes as seen by AOC Resins and PDI Massey location. This expansion saves about three hours of additional switching per week and will allow both customers to be serviced on the same day.



## **Roadway Crossing Upgrades**

Three roadway crossings and one pedestrian crossing were upgraded. This included the reconstruction of railway tracks, upgrading of signal conduits through the roadway crossing and the subsequent re-asphalting. The locations completed include Hume Road in Puslinch, Dawson Road South, Stevenson Street, and York Road pedestrian crossing.





**Signal Upgrades**

The GJR completed an upgrade of the light assembly at 10 Sideroad in Milton and at Stevenson Street in Guelph. New power off lights, electronic bells, and plywood knife switch boxes upgraded to aluminum for security were completed at every signalized GJR crossing. The signal cabinet at Eramosa Road was also replaced. Insulated joints were replaced at North and South of Woodlawn Road in Guelph, Arkell Road in Puslinch, and 15 Sideroad in Milton.



## **Switch Replacements**

Two switches located at lower yard north, Stevenson Street, were replaced and upgraded from 85 pound to 100 pound rail switch components.

## **Rail Replacements**

Full rail replacement was completed at the west leg of the “Wye” track in Campbellville.

## **Emergency Signs**

In accordance with new Transport Canada standards, the GJR has emergency signs at every controlled and uncontrolled crossing to clearly state ownership of the railway line and provide an emergency call number that can put a member of the public or an emergency worker directly in touch with a maintenance contractor for equipment malfunction, the GJR general manager for general inquiries, or a 24-hour helpline for those experiencing a personal crisis. Signs were installed on all signalled and non-signalled crossings in 2020 and the north and south industrial spurs will be completed in 2022. In 2021, no trespassing signs were installed between Campbellville and the end of track.

## **Ongoing Projects, Challenges, and Opportunities**

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### **Ongoing Projects**

#### **Eramosa River Bridge**

New ballast walls were ordered for the Eramosa River Bridge in 2021. Due to the results of our 2021 bridge inspection showing stable existing conditions, the GJR decided to hold off on the installation of new abutments until 2025 at the latest. Bridge timbers were also ordered in late 2021, to be installed in early 2022.

#### **Trans Canada Trail System**

The GJR continues to work with Parks to aid the connection of the Trans Canada Trail System through discussions of land transfer, grading of land, and the realignment of track.

#### **Vegetation Control**

Vegetation control along the entirety of the track continues yearly in accordance with Transport Canada standards. The standard pesticide used on most of the railway is never utilized within 200 feet of any waterways. For several years, the GJR has experimented with various partners to apply organic substances in attempts to find a more environmentally safe and sustainable option. After a successful trial in 2020, we once again utilized a viable and eco-friendly alternative for vegetation spraying of our more vulnerable and heavily gardened areas in 2021.



### **The GJR Community and Marketing Videos**

Throughout 2021, the Economic Development and Tourism department integrated the GJR into its composition. The GJR anticipates working closely with the department's marketing and promotions coordinators to increase public awareness, business attraction and to highlight key aspects of this historical asset to the community.

### **Permanent Human Resources Solutions and Governance Review**

The GJR continued to receive significant support from City of Guelph staff within the Legal and Finance departments in 2021 in accordance with the Shared Service Agreement. Through the Shared Service Agreement, the GJR contracts with City staff to assist the GJR's general manager with various components of the business such as legal, finance, and governance. The Shared Service Agreement is reviewed yearly to ensure fair compensation costs. In 2021, the GJR's payments to the City's Finance department increased due to additional administrative requirements after the transition from OSR to GEXR as the service provider and the subsequent handling of all revenues and expenses through the City's financial processes.

In 2020, the GJR added a second permanent full-time position to the company for the purpose of administrative assistance. This role has allowed the GJR to alleviate some of the shared service hours required of the internal finance divisions and has opened availability for involvement in various City projects, meetings, and safety initiatives. The additional support has also allowed for the GJR to be more involved in the Economic Development and Tourism department as well as the Economic Development and Tourism Strategy.

### **Ontario Ministry of Transportation (MTO) Expropriations**

As part of the Province's plan to improve Highway 7, the Ministry of Transportation (MTO) has expropriated several parcels of land in the City's northwest region. These include the GJR lands that are active rail crossings at the Hanlon Expressway. As part of the reconstruction of Highway 7, the GJR tracks will have to be relocated and constructed in order to maintain service to customers in the northwest.



The GJR possesses and operates on the lands expropriated by MTO. The GJR has been working with MTO to ensure that necessary track reconfiguration will take place prior to the reconstruction of Highway 7, in efforts to minimize service disruptions to customers. The GJR has retained experienced external legal counsel to handle the legal aspects of the expropriations. The expectation continues to be that the GJR will be fully compensated for all costs and disturbance damages, including consultant and legal costs, in accordance with the Expropriations Act.

On September 5, 2020, the GJR served MTO with a Notice of Arbitration and Statement of Claim, which seeks compensation from MTO for injurious affection and disturbance damages, pursuant to subsection 26(b) of the Expropriations Act. By way of its Decision and Order, dated February 11, 2020, the Local Planning Appeal Tribunal, now the Ontario Land Tribunal (OLT), ordered that the Procedural Order submitted by the parties be in force and effect for the purpose of governing the required process leading up to and including any OLT hearing. Among other things, the purpose of the Procedural Order is to identify who may participate in the hearing, the issues in dispute, and the matters that are required to be carried out before the hearing. This has since been placed on hold.

The MTO's Highway 7 improvement and expansion project is currently delayed for project cost evaluation by the provincial government. The GJR is otherwise working with MTO to determine the impact of this delay on the GJR operations, compensation related to the expropriations, and future track and road configuration options. The MTO Hanlon project has now been approved to proceed.

### **Transfer of Title**

City Council approved the transfer of title of the CPR assets within the city of Guelph to the GJR on May 27, 2016. The GJR prepaid for these assets in full in 2010. Work continues to transfer these assets fully (largely real property) to the GJR.

### **Railway Safety**

2021 was a year of continued focus on capital improvements to the railway, such as signalled crossing upgrades and main roadway rehabilitations to increase safety and near-miss incidents. With the physical work well underway, the GJR has identified the next steps, including increasing community awareness through educational programs, and attending and hosting events to promote rail safety. In 2021, work with representatives from VIA, CN, Metrolinx, and the MTO through participation on the provincial committee for Operation Lifesaver (OL) to promote these messages within Guelph and the surrounding area was paused due to constraints following pandemic restrictions.

### **Challenges**

Certain challenges that affect the GJR's business are not within the control of the railway, but efforts are made by management to mitigate impacts. Examples include impacts that occur at the level of the Class 1 railway, weather, infrastructure failures, or service interruptions caused by labour disputes. Further, the nature of the railway business is very

competitive and changes in contracts can directly influence car counts and ultimately freight revenues.

The GJR endured continuing challenges in 2021 due to the COVID-19 pandemic that fortunately saw a return to regular rail traffic patterns by the end of Spring.

### **Puslinch Train Committee**

The GJR was approached by a neighborhood-formed committee named the Puslinch Train Committee in response to the transloading operations at the Arkell siding that was completed in summer of 2019. Due to loud noises created by the vacuum trucks unloading at this location, the GJR conducted a noise and vibration study. The results of the study suggested the noise levels were marginally above acceptable, and the GJR, along with its customer, elected to relocate the transloading vacuum truck location.

In tandem with the issue of noise from the vacuum trucks was also that of train horns being utilized at crossings within the Township of Puslinch. While the committee did bring forth its proposal for a whistle cessation to Township Council, Puslinch has chosen to not pursue a cessation at this time. Further correspondence has been exchanged between the committee, the GJR staff, and City staff members regarding further concerns of the GJR's operations such as train speeds, times of operation, road crossing blockages from shunting trains, scrap heritage railway ties as found stored along the railway, and more.

As the GJR is a proud part of Guelph's heritage and that of the surrounding area, we are working to address all concerns and ensure that all operations are within the legal requirements and expectations of Transport Canada and the Ontario Ministry of Transportation. Continuous communication has been encouraged, as well as multiple offers to meet have been extended, in order to maintain positive relationships with neighbouring townships and municipalities, as the future of the GJR and its economic importance is highlighted.

### **Opportunities**

#### **Identification of Rail Serviceable Lands**

A continued priority for the GJR Board of Directors is to identify additional rail serviceable lands in Guelph and the surrounding area. This has been incorporated into the adopted strategic direction and will form part of the GJR business plans and long-term plans. The GJR's general manager will continue to advise the GJR Board of Directors on potential opportunities for rail expansion.

#### **Business Expansions**

The GJR continues to build relationships and financial security with both Traxxside and PDI through new business expansions that will increase revenues for all parties involved.

### **Kauffman Siding Expansion**

The GJR management has identified an additional location south of York Road at the Kauffman Siding outside of PDI Liquid, where a new additional siding will be built to accommodate the continued increase of railcar volumes and business with our largest customer, PDI.



**Guelph Junction Railway Limited**  
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