



GUELPH  
JUNCTION  
RAILWAY

**2022**

**Annual report to the shareholder**

**Guelph Junction Railway Limited**

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

On behalf of the Guelph Junction Railway Board of Directors, it is my pleasure to present the 2022 Guelph Junction Railway Limited Annual Report.

This past year, the Guelph Junction Railway (GJR) continued its focus on safety, fiscal responsibility, customer acquisition, and service delivery, aligned with the priorities of the City of Guelph's strategic plan: Guelph. Future ready. The GJR's objective 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. This is accomplished by effective planning, innovating, and providing safe service excellence to our customers.

With Goderich-Exeter Railway (GEXR) operating the railway, the GJR continues to manage contractors who perform routine track and signal maintenance and its capital projects. The GJR's personal oversight of GEXR has helped maintain safety, increase efficiency, and lower costs of operations, which has resulted in the GJR exceeding its forecasted expectations in 2022.

With COVID-19 restrictions being reduced and lifted throughout 2022, the GJR has shown a great recovery as both revenues and railcar volumes exceeded pre-pandemic levels. This resulted in the GJR declaring a \$164,000 dividend to the City of Guelph. With the help of ongoing discussions with its customers, the GJR is expecting continuous growth into the future.

We continue to concentrate on capital improvements to the railway which include signal equipment, rail/switch and track upgrades, and at-grade road crossings. Through collaboration and ongoing communication with community groups and City staff, the GJR continues to evaluate and monitor potential safe trail networks along the railway.

Reinvesting in capital infrastructure based on our customers' expectations and continued growth keeps our service competitive while ensuring legislative requirements are met.

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 that reads "Scott Stewart". The signature is fluid and cursive.

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 CN) 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 Canadian Pacific Railway (CP) under a lease agreement. The GJR Board met annually to declare a dividend. In 1998, CP terminated its lease agreement and the City, on behalf of the GJR, purchased CP's remaining rail property and track within the city of Guelph.

Ontario Southland Railway (OSR) was contracted to operate the GJR effective January 1998 and remained as the GJR's operator for the next 22 years. Over that period of time, the GJR continued to grow and develop its presence as a short line railway focusing on business growth and development.

2020 was a year of change for the GJR and the City of Guelph. OSR made changes to 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 it manages moving freight for 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 CN and CP.

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## **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 the same person now occupies those positions: 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 was completed during that year.

**Figure 1: The GJR corporate governance structure**

<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, values, and strategic direction**



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's 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 2022, 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 required deadline.

### **Our strategic direction**

Along 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:
  - a. A shared service agreement with the City;
  - b. A staffing plan;
  - c. A Board succession plan; and
  - d. An asset management plan.
2. Increase and diversify revenues through creative partnerships and new tariff opportunities.
3. Develop short-term business plans that align with the City's strategic priorities.
4. Develop a long-term growth plan that will be ready to manage anticipated sector, and regulatory environmental changes:
  - a. The City's future needs around rail (freight and passenger);
  - b. The Province's future needs around rail (freight and passenger); and
  - c. Identify land within and near the city that may be available for rail development.
5. Connect with our Shareholder and community partners through strong communications:
  - a. Use the GJR's Web site to assist with business development and communications.

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

The GJR continues to communicate with Parks and Trails, Engineering and Transportation, Legal, Realty and Court Services, and other City of Guelph departments 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 succeed and add value to the community. With a safe operating record and good business foundation, the GJR contributes millions of dollars to the local economy.

The GJR provides services to over 35 customers, and through engagement, City staff can confirm that the presence of the railway is essential to the continuation of these customers' operations. Some Guelph companies rely solely on railway services, without which they would cease to operate. The GJR's customers take comfort in knowing that the railway is managed safely and will be there for future growth. With the City's keen attention to economic development, these companies experience 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 City's 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.

The GJR transported 5,239 loaded and empty railcars in 2022, which diverted about 20,956 truck loads from the city's local roads and highways in just one year. This improves the flow of traffic on city roads reducing congestion and taxpayers' costs associated with road maintenance as well as



traffic-related collisions. With the average transport truck emitting 202 tonnes of GHGs per year, the railway also helps to reduce emissions by about 2.85 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 with the expected outcome of safely connecting 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 across the country.

Within the city, The GJR collaborates with staff to build sidewalks, bicycle lanes, and trail connections to help move people safely through Guelph over and beside the railway. The future of rail within the city looks ahead to the movement of goods and the safe 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 Guelph Transportation Master Plan.

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

The GJR is a division within the Economic Development and Tourism Department and is included in the [Economic Development and Tourism Strategy](#), 2022-2026, which was approved by 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, given that the provision of daily rail and transloading services is a unique offering compared 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 2022, the total revenue increased by \$1.07 million (21.1 per cent) when compared to the 2021 revenue. The GJR's 2022 revenue exceeded budgeted expectations by \$1.13 million (22.6 per cent).

The main contributor to the increase is the growth in tariff revenue which was \$1.02 million (300 per cent) above budget. This increase can be directly attributed to the railway providing better and more extensive services to a growing customer base with GEXR.

The increase in tariff revenue is partially offset by an increase in freight movement costs as more servicing is required to match the growth. The ratio of freight revenue compared to freight costs has increased from 1.50 in 2020 to 2.05 in 2022, showing increased gross profit in freight operations since the switch from OSR to GEXR.

**Figure 2: Statement of comprehensive income year ended December 31, 2022**

	2022	2021
	\$	\$
<b>Revenue</b>		
Freight movement	5,664,251	4,507,016
Non-freight movement	410,326	498,496
Amortization of deferred capital contributions	100,853	95,859
	<b>6,175,430</b>	<b>5,101,371</b>
<b>Expense</b>		
Freight movement	2,758,607	2,335,132
Track maintenance	633,580	610,461
Depreciation	460,340	437,142
Administration and office	612,996	586,326
Interest on long-term debt	46,779	44,452
Expropriation costs	2,697	17,342
Business development	10,772	6,665
Audit & legal	10,199	9,233
	<b>4,535,970</b>	<b>4,046,753</b>
<b>Net comprehensive income for the year</b>	<b>1,639,460</b>	<b>1,054,618</b>

As a result of the GJR's continued success, a dividend of \$164,000 (\$105,000 in 2021) will be declared to the City of Guelph in 2023 based on the 2022 financial results. This is calculated at the upper threshold of the GJR's policy guideline, which allows a dividend payout rate of zero to 10 per cent of net income.

The GJR ended the year with a working capital balance of \$2.7 million and made capital acquisitions of \$1.5 million, increasing the net book value of property, plant, and equipment by \$1.0 million over 2021. The net investment in capital after partner contributions was 15 percent in 2022, which is slightly lower than the GJR's target capital investment of 16.0 per cent on average. The GJR 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, meets legislative requirements, and operates in a safe and efficient manner. The Board was extremely pleased with the GJR's performance in 2022.

### **Business development**

The GJR provides services to over 35 customers, 12 of which provide most of the revenue for the corporation. The GJR's only competition in Guelph is CN, 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 2022, the GJR collaborated with its newly acquired customer Flash Freight Systems, and constructed a siding expansion at Woodlawn Road end of track. Additionally, with a joint effort from Polymer Distribution Inc. (PDI), a packaging siding was constructed at the Massey Road plant and additional storage track was installed near York Road.

The GJR continued to focus heavily on reinvesting in 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 miles per hour (mph) to Class 2: 15 mph; however, the speeds remain 10 mph within city limits by choice of management to meet the No Whistle By-law and provide more stopping distances required for trail connectivity. Track improvements provide the GJR's customers with safer, 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 industry and a desirable option for businesses looking to explore rail service as an alternative to commercial long-distance trucking.

With COVID-19 restrictions being loosened and lifted during 2022, the cars delivered to GJR exceeded the 2019 pre-pandemic levels with a total increase of 237 more cars from 2021. Overall, the GJR operated with an increase of 4.74 percent over 2021 while other short-line railways and Class 1s, as referenced in [Progressive Railroading](#), reported a decrease of 2.80 per cent compared within the North American rail industry.

The GJR strives to align itself with the City's strategic objectives and seeks to work collaboratively with the Shareholder and customers to build a robust system that ensures fiscal and service sustainability, while attracting new business and providing a safe and environmentally conscious service to the city.

## **Operations and capital maintenance update**

### **Operations**

GEXR continues to provide rail operations under the terms and conditions of the operating agreement signed in August 2020. The GJR receives independent revenues from flagging for third parties, railcar storage contracts, other tariffs, and is responsible for invoicing 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 through continued Transport Canada regulated testing methods. This ensures that 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 2022, which included the following:

**Tie replacement program:** The GJR identified ties for replacement along the main track within Puslinch and Milton. In 2022, approximately 749 cross ties and 152 switch ties were replaced.

**Scrap ties clean up:** With joint efforts from Puslinch Township and Wellington Source Water Protection, special attention was given this year to scrap ties from the CP 100-year lease through Puslinch Township. In this area alone, the GJR disposed of approximately 391 tonnes of scrap ties which is equivalent of 12,000 ties. In addition, the GJR disposed of an additional 1500 to 2000 scrap ties along the railway line. 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 North and South Industrial, Central Guelph, Campbellville and on the main track between Mile Point (MP) 22 to 23.5. 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 track components.

### **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 to straighten the track. This will reduce the potential for high maintenance costs in the near future and improve sightline visibility. The

GJR is taking into consideration the potential for the Trans Canada Trail system and Guelph Hiking Trail Committee (GHTC) connections through ongoing communications with property owners, City staff and interested parties.

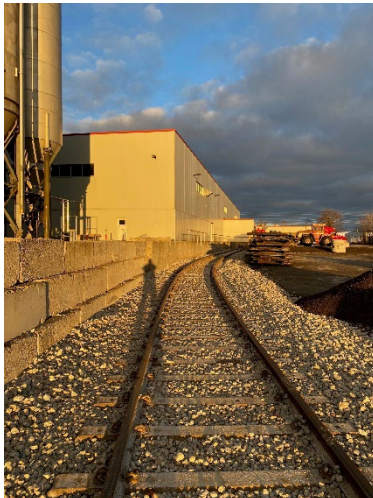
### **Woodlawn Road Flash Freight (FF01) siding expansion**

The GJR completed a siding expansion at Woodlawn Road to accommodate a newly acquired customer. This expansion has diversified the product portfolio of goods being transported into Guelph such as lumber, plywood, utility poles, blood flour, grains, potato flakes, corn meal, pelletized peas, and cement.



### **PDI packaging track at Massey Road**

The completed track built directly into the PDI plant will greatly reduce offloading times, as PDI acquires additional business and potential contracts in the near future.



### **Additional storage track at York Road**

With PDI acquiring business from Cargill, an additional storage track was installed near the Victoria Road plant to meet growing volume demands which can store additional cars waiting to be released back to the Class 1 railways.



### **Roadway crossing upgrades**

The Woodlawn Memorial Park roadway crossing was upgraded. This included the reconstruction of railway tracks, widening of the roadway crossing and subsequent re-asphalting.



### **Signal upgrades**

The GJR replaced a total of 84 signal batteries throughout various crossings to ensure full functionality and safety. The hydro pole and breaker were replaced at Woodlawn Road along with the breaker box at Eramosa Road.

### **Victoria Road fence replacement**

A full fence replacement was completed. The fence backs onto residential properties on the west side of Simcoe Street. The GJR continues to work with residents to ensure safety and to sustain visual appeal along the railway.



### **Emergency signs**

In accordance with new Transport Canada standards, the GJR has emergency signs at every controlled and uncontrolled crossing. These signs clearly state the owner of the railway, and an emergency call number that connects directly to an on-call signal maintenance contractor for equipment malfunction, the GJR's general manager for general inquiries, or a 24-hour helpline for those experiencing a personal crisis. Signs were installed on all signaled and non-signalled crossings in 2020 and the north and south industrial spurs was completed in 2022.

### **GEXR Safety Award Recognition**

The Canadian Region of Genesee & Wyoming which includes the GJR, received the Chairman's Award and the President's Award in 2022 when compared to its sister operating regions across North America and Europe. The Chairman's Award is given for best safety performance and the President's Award is given for most improved safety performance. The GJR in partnership with GEXR will continue to prioritize safety and service satisfaction.





## The GJR community and marketing videos

The GJR collaborated with the Economic Development and Tourism Department and Ward 1 Studios to produce [marketing and promotional videos](#) that increase public awareness, business attraction, and highlight key aspects of this historical asset to the community.

## Ongoing projects, challenges, and opportunities

### Ongoing projects

#### Eramosa River Bridge

New ballast walls were ordered for the Eramosa River Bridge in late 2021 and were scheduled to be installed during 2022. The 2021 bridge inspection reported no change to the existing conditions, so the GJR decided to hold off on the installation of new abutments until 2025 at the latest.

#### Trail connectivity

The GJR continues to work with City staff to improve and expand the City's trail system through land transfer, grading, and track realignment. The GJR is currently working on land transfers to the City of Guelph for designated trails between Woodlawn Road and Woolwich Street, Macdonell Street and Arthur Street. Property transfer for the new 6167 Steam Locomotive location is also in process. In addition, the GJR plans to do a complete rail line over between Woodlawn Road and at its end of track in 2023, which will create space for a potential future trail if deemed safe by relevant authorities. The GJR is also reviewing the Guelph Innovation District lands for possible trail connections through the Fusion Homes development property.

#### 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 sprayed within 200 feet of any waterways. For several years, the GJR has experimented with various partners to apply organic substances to find a more environmentally safe and sustainable

option. In 2022, the GJR used a new viable and eco-friendly alternative for vegetation spraying of our more vulnerable and heavily gardened areas.

### **Permanent human resources solutions and governance review**

The GJR continued to receive significant support from City of Guelph staff within the Legal, Realty and Court Services and Finance departments in 2022 in accordance with the Shared Services Agreement. This Shared Services Agreement is reviewed yearly to ensure fair compensation costs.

In 2020, the GJR added a second permanent full-time position to the company for administrative assistance. This role has allowed the GJR to alleviate some of the shared service hours required of the Finance Department and has opened availability for involvement in various City projects, meetings, and safety initiatives. The additional support has assisted the GJR to be more involved in the Economic Development and Tourism Department and 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 to maintain service to customers in the northwest.

The GJR owns and operates on the lands expropriated by MTO. To minimize rail service disruptions to customers, the GJR has been working with City staff, CN and the MTO to ensure necessary track reconfiguration will take place prior to the reconstruction of Highway 7. 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 process has since been placed on hold now that the parties continue to work co-operatively on a design solution.

### **Transfer of title**

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

### **Railway safety**

2022 was a year of continued focus on railway capital improvements, such as signalled crossing upgrades and main roadway rehabilitations to increase safety and reduce near-miss incidents. With the physical work well underway, the GJR has identified the next steps, including increasing community awareness through educational programs by way of a new the GJR safety officer position, and attending and hosting events to promote rail safety. In 2022, the GJR worked closely with representatives from VIA Rail, CN, Metrolinx, and the MTO by participating on the provincial committee for Operation Lifesaver (OL) to promote these messages within Guelph and the surrounding area.

### **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, climate change, infrastructure failures, equipment failures or service interruptions caused by Class 1 labour disputes. Further, the nature of the railway business is incredibly competitive and changes in contracts can directly influence car volumes and ultimately freight revenues.

The GJR exceeded pre COVID-19 pandemic levels for the first time in 2022 with high hopes of additional growth in future years.

### **Relationship with the Township of Puslinch**

The City continues to address any concerns about the GJR's operations such as train speeds, times of operation, road crossing blockages from shunting trains, scrap railway ties, fires, and more. There have been notably fewer complaints this year and the City actively collaborates with the Township on

activities in the rail corridor. A letter from Puslinch Council was received acknowledging the improved working relationship (Attachment-2).

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 MTO. Continuous communication has been developed and maintained 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's 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 Board of Directors on potential opportunities for rail expansion.

### **Business expansions**

The GJR continues to build relationships and financial security with Traxxside, PDI, and its newly acquired customer, Flash Freight Systems through new business expansions that will increase revenues for all parties involved. With additional tariff contracts in place, the GJR's success depends on the success of its customers.

### **Additional Kauffman North 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 siding can be built to accommodate the continued increase of railcar volumes and business with our largest customer, PDI.



**Guelph Junction Railway Limited**  
**1 Carden Street**  
**Guelph, Ontario**  
**N1H 3A1**