



GUELPH  
JUNCTION  
RAILWAY

**2024**

**Annual report to the shareholder  
Guelph Junction Railway Limited**

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

On behalf of the Guelph Junction Railway Board of Directors, I am pleased to present the 2024 Guelph Junction Railway Limited Annual Report.

Over the past year, Guelph Junction Railway (GJR) continued its commitment to safety, attracting new customers, expanding current customers, service excellence, and responsible budget management, aligned with the priorities of the City's strategic plan: Future Guelph. GJR's objective is to provide easy, safe, and accessible movement of goods along nearly 40 kilometres of track and connect Guelph's economy with other regions. This is achieved through strategic planning, innovation, and providing safe, high-quality service to our customers.

Goderich-Exeter Railway (GEXR) continued to operate the railway while GJR managed the contractors who perform track and signal maintenance and its capital projects. GJR and GEXR collaborate closely to ensure safety and enhance efficiency, ultimately benefiting customers, residences, and reducing operational costs. In 2024, GJR surpassed its 2023 record, with forecasts indicating continued sustainable growth.

An important element to this success is through continuous engagement with customers to evaluate their current and future growth and to plan how GJR can support their goals. Investing in capital infrastructure to support the ongoing growth keeps our service competitive and operations efficient, while being compliant with legislative requirements. This approach ensures GJR meets our customers' needs while staying ahead in the rail industry. With this strategy, GJR is declaring a \$250 thousand dividend to the City of Guelph.

GJR continues to concentrate on capital improvements to the railway which includes upgrades to signal equipment, rail, switch, track, and at-grade road crossings. Through active collaboration and communication with City staff and community groups, GJR continues to evaluate and develop potential safe trail networks along the railway and coordinate road closures for any street/crossing upgrades.

Looking ahead, GJR will continue to find innovative ways to keep pace with the changing market demands while supporting the economic growth and community building in Guelph and the surrounding municipalities.



*Tara Baker*

Sincerely,  
Tara Baker,  
Chair, Guelph Junction Railway Limited

## Our history

The Guelph Junction Railway (GJR) was established through a Special Act of the Federal Parliament, initially passed in 1884, and began operations in 1888. The railway's presence in Guelph dates back even further, with the Grand Trunk Railway (now known as the Canadian National Railway or CN) operating in the city since 1852. Guelph's business leaders attributed the city's early growth and prosperity to its access to multiple competing rail lines and expanding markets.

**Figure 1: John Galt Park in the Early 1900s**



GJR was created by local merchants who were dissatisfied with the high rates and service provided by the Grand Trunk Railway, which had a monopoly on freight movement since 1856. The new railway aimed to provide competition and reduce costs for local businesses. Construction of the GJR began in May 1887, and the line opened on August 20, 1888, connecting Guelph to the Canadian Pacific Railway (now known as Canadian Pacific Kansas City or CPKC) main line in Campbellville.

By 1910, the founding Act of GJR had been amended, allowing the City of Guelph to become the sole shareholder. This made GJR the first municipally owned railway in the British Commonwealth. Today, it remains one of the few municipally owned railways in Canada, with only one other in Ontario out of a dozen across the country.

For over a century, GJR was operated by CPKC under a lease agreement. During this period, the GJR Board met annually to declare a dividend. In

1998, CPKC terminated its lease agreement, prompting the City of Guelph, on behalf of GJR, to purchase CPKC's remaining rail property and track within the city.

In January 1998, the Ontario Southland Railway (OSR) was contracted to operate GJR. OSR remained the operator for the next 22 years, during which GJR continued to grow and solidify its presence as a shortline railway, focusing on business growth and development.

The year 2020 marked significant changes for both GJR and the City of Guelph. OSR made operational changes and ceased its operations for GJR in August. Subsequently, the Goderich-Exeter Railway (GEXR) was awarded the new switching contract. GEXR brought with it award-winning experience in managing freight movement for various industrial manufacturers and producers within Canada and the United States.

Currently, GJR operates on 38.6 kilometres of track through Campbellville, Puslinch, Arkell, and Guelph, with nearly the same distance in yards and spur tracks. GJR maintains connections on two sides to both CN and CPKC, ensuring its continued importance in the region's transportation infrastructure.

## **Vision, mission, values, and strategic direction**

**Figure 2: GEXR Locomotive**



To enhance its service to the City as the sole Shareholder and to align with the recent changes in the corporate structure aimed at a more modern, business-focused strategy, the Board of Directors of GJR formulated a comprehensive statement of vision, mission, and values that was officially adopted in early 2017.

This statement serves as an overarching guide to the Board's decision-making as 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 2024, GJR has been consistent in upholding these values while working toward its vision. Inspections conducted by Transport Canada have found 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. 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 and utilize 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.
  - b. Collaborate and partner with City staff and community groups on any opportunities, developments and projects near or adjacent to GJR that support building a robust community to support future growth.

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

GJR maintains ongoing collaboration with various City departments, including Economic Development, Parks, Engineering and Transportation, Legal, Realty and Court Services, among others. This collaboration ensures that GJR's activities are in alignment with the City's Strategic Plan. The area where GJR and the City achieve the most synergy is within the priority areas of People and Economy, Environment, and City Building.

### **People and Economy**

GJR plays a pivotal role in supporting the People and Economy priority by focusing on supporting rail dependant businesses and adding value to the community. With a strong safety record and a solid business foundation, GJR significantly contributes to the local economy by generating millions of dollars and creates thousands of jobs along its supply chain. This is achieved through the provision of efficient rail services that attract businesses and industries to the region.

GJR currently provides services to over 40 customers. Through continuous engagement, City staff have confirmed that the railway's presence is crucial for the ongoing operations of these customers. Some companies in Guelph rely exclusively on railway services, and without GJR, they would be unable to operate. The assurance of safe management and future growth potential provided by GJR provides these customers with confidence in their long-term business plans. Additionally, the City's focus on economic development aids these companies in project planning and site development, facilitating their expansion using rail commodities.

Beyond direct services, GJR also indirectly benefits the local economy by attracting new businesses to the city. The north industrial sector, in particular, benefits from accessible rail tracks and, in many cases, the space to build spur lines directly to facilities for loading and offloading. For businesses unable to build or lease rail-accessible land, the option of using a transloading facility to bring in inventory remains available.

Through these efforts, GJR not only supports existing businesses but also fosters an environment conducive to economic growth and development, ensuring that Guelph remains a competitive and attractive location for industrial and commercial enterprises.



## **Environment**

As green infrastructure, rail also helps to serve the City's ambitious energy and environmental goals. The Corporate Performance and Strategy 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 percent 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.

GJR transported 5,931 loaded and empty railcars in 2024, which diverted approximately 23,724 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 223 tonnes of GHGs per year, the railway also helps to reduce emissions by operating at a fuel efficiency of four to five times that of trucks.

## **City Building**

Through cooperative collaboration with other municipal departments, GJR ensures safe transportation, connecting Guelph's economy with other regions. This railway is a vital resource for transporting goods, extending beyond the City's limits to connect with major Class 1 railways (CN and CPKC). This integration into the national rail network supports the region and serves Canadians across the country.

Within the city, GJR collaborates with staff to build sidewalks, bicycle lanes, and trail connections, ensuring safe movement through Guelph alongside the railway. The future of rail in the city focuses on both 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**

As noted above, 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. 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 GJR is highlighted within the strategy to attract targeted industry investment.

## **Financial update**

The operating results for the year ended December 31, 2024, exceeded both the 2023 results and the expectations laid out in the 2024 budget. GJR earned net comprehensive income of \$2.6 million for the year, an increase of \$452 thousand (21 per cent) over 2023, and a positive variance of \$1.1 million from the budget. The freight ratio for 2024 is 2.32, above both the budgeted ratio of 2.04 and the 2023 ratio of 2.28.

As of December 31, 2024, GJR had a healthy working capital balance of \$3.3 million (2023, \$3.4 million). The 2024 working capital balance is \$1.2 million lower than it would otherwise be as a result of the long-term loan from the City being classified as a current liability in 2024 as it needs to be renewed in 2025. It is expected that this agreement will be renewed in 2025. The net book value of property, plant and equipment increased by \$1.6 million during 2024, which included capital asset additions totaling \$2.2 million offset by depreciation expense totaling \$560 thousand.

The City's investment in GJR increased by \$2.4 million and GJR will pay a dividend of \$250 thousand to the City in 2025 based on 2024 financial results, approximately \$100 thousand more than budgeted.

## **Business development**

GJR serves over 40 customers, 12 of them contributing most of the corporation's revenue. The only rail competitor 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 anticipated two-way all-day GO service between Kitchener, Cambridge, and Toronto and the future expansion of the Hanlon 6, the increased passenger trains on the main line will limit the availability of CN's freight trains to service Guelph. This presents an opportunity for GJR to capture the switching traffic that CN currently holds.

GJR continues to promote local business development as its major focus. By actively engaging with customers, GJR seeks to understand their evolving needs and accommodate growth. This proactive approach includes regular consultations and feedback sessions to ensure that GJR's services align with the expansion plans of local businesses. By fostering strong relationships and adapting to customer requirements, GJR aims to support the economic growth of the community while enhancing its own service offerings.

GJR remains committed to reinvesting in capital programs along the rail to meet or surpass Transport Canada standards. Soaring ahead of most shortline in their ability to reinvest capital to increase capacity, speed, and performance, 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, 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 GJR's customers with safer, faster delivery of goods, more reliable service, and options for dimensional loads. These efforts enable GJR to stay competitive in the rail service industry and attract businesses considering rail as an alternative to long-distance trucking.

GJR has achieved a new historic milestone, surpassing last year's railcar count by 194. Overall, GJR saw a 3.38 percent increase in operations over 2024, outperforming other shortline railways and Class 1s, which reported a 2.30 percent increase according to [Progressive Railroading](#). Based on customer forecasts, GJR is optimistic about continued growth in 2025.

GJR aims to align with the City of Guelph's strategic objectives, partnering with the Shareholder and customers to create a resilient system that supports fiscal and service sustainability. This initiative helps attract new business while delivering safe and environmentally conscious services to the city.

## **Operations and capital programs update**

### **Operations**

Operating under the agreement since August 2020, GEXR continues to provide rail services. With the 5-year contract set for renewal in August

2025, GJR is confident about extending this partnership into the foreseeable future.

GJR earns independent revenue from providing flagging services to third parties, securing railcar storage contracts, and imposing additional tariffs. Furthermore, GJR is responsible for invoicing supplementary revenues, including freight revenues with CN and CPKC. Through the contracted services of PNR Railworks, GJR supervises the maintenance and inspection of signals, tracks, and crossings, as well as all third-party flagging contracts.

## **Capital programs**

GJR utilizes a life cycle approach for its capital maintenance program, identifying infrastructure priorities each year through ongoing Transport Canada-regulated testing. This ensures GJR's financial health, supports infrastructure recapitalization, and drives long-term strategic growth. GJR's fundamental principle is to operate safely and in accordance with the Shareholder Declaration and Federal transportation regulations.

GJR completed several large-scale capital projects over the course of 2024, which included the following:

### **Tie replacement program**

GJR focused the tie replacements along the main track from mile point 30.09 to mile point 34.5, as well as at various locations within Guelph. This initiative led to the replacement of approximately 2,028 track ties, 323 switch ties, and 26 head block ties. These efforts are part of GJR's ongoing commitment to maintaining and improving rail infrastructure to ensure safe and efficient operations.

### **Scrap ties clean up**

Along with the ties removed from the replacement program, GJR continues to dispose of ties along specified areas along the right of way. A total of 295.17 tonnes of scrap ties were disposed, equivalent to 3,243 new ties. The preferable recycling option for used treated wood is the recovery of solid wood. Subsequent recycling options include fibre recovery and energy production. 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.

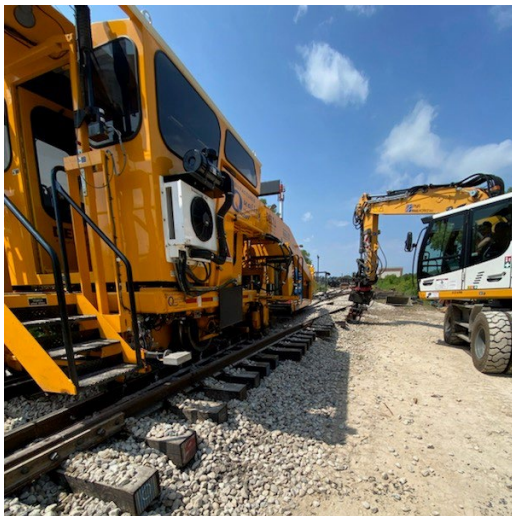
**Figure 3: Truck Loading Ties for Disposal**



### **Ballasting and surfacing program**

New track ballast was delivered and distributed on the main track between Mile Point (MP) 30.09 and 34.5. 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.

**Figure 4: PNR Railworks Ballast Regulator**



### **XT-99A siding expansion**

An 1100-foot siding, accommodating 16 railcars, was constructed in 2024 along Edinburgh Road North. CN and GJR continue to collaborate on building track in serviceable areas to maintain fluid operations.

## **Roadway crossing upgrades**

New signal gates were put into service during the year at Speedvale Road and Woolwich Avenue as part of a City roadway upgrade. These enhancements are intended to boost safety and operational efficiency at these intersections, providing better protection for drivers and pedestrians alike. In addition, the Imperial Road South crossing was upgraded to meet TC regulations.

**Figure 5: Rail Crossing Signal Gates With Arms**



## **Kauffman siding addition**

GJR added 940 track feet of siding track, enabling the storage of 16 additional railcars. This expansion increases GJR's capacity and enhances the ability to handle increased rail traffic to meet the needs of its growing customer base.

## **Track and switch rail upgrade**

GJR is committed to enhancing the longevity and efficiency of its rail infrastructure by upgrading from 100-pound to 115-pound rails. This year, GJR successfully completed upgrades in the North industrial section, including the wye switches at Dawson Road and Edinburgh Road South.



## **Eramosa bridge**

GJR completed the Eramosa bridge repairs by replacing 81 bridge timbers and upgraded from 100-pound to 115-pound rail in June 2024. GJR reviews the yearly inspection report provided by GEI Consultants for recommendations on new wall abutments.

**Figure 6: Eramosa Bridge Repair**



## **Ongoing projects**

### **Trail connectivity**

In support of future G2G trail connections from North of Woodlawn through to the End of Track, GJR has completed multiple phases of rail line-over to eliminate steep elevation and curves which involved the grading and realignment of track. This has facilitated a greater opportunity for a multi-user trail connection following the railway right of way. No further works were completed for the year 2024, and the last phase of track realignment was projected for completion by end of summer, 2025. Due to the current economic environment however, GJR will be placing this final stage of realignment on hold until further notice. This delay is not expected to affect the continuing efforts on the project charter for this trail connection. GJR remains an active stakeholder in this community-led, City supported project.

**Figure 7: 6167 Steam Locomotive and GEXR Locomotive**



The G2G trail connection that will be located within GJR's corridor between Woolwich Street and Woodlawn Road is set for construction in summer 2025. Land transfers and track upgrades to accommodate the new multiuser pathway crossing at Woodlawn Road are underway for 2025.

GJR also takes an active role in participation with City staff in the review of future trail development alongside the railway right of way on the GID lands in the interest of reducing dangerous trespassing activity and enhancing trail connectivity for Guelph residents.

## **Corwhin siding expansion**

As GJR and CPKC expand to the south, additional trackage is needed to handle increased car volumes. This will enhance GJR and its operator GEXR's efficiency in managing traffic from CPKC interchange tracks. The next project involves constructing a siding to store an additional 35 railcars.

## **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, GJR has experimented with various partners to apply organic substances to find a more environmentally safe and sustainable option. In 2024, GJR utilized substances that were evaluated by Health Canada's Pest Management Regulatory Agency deemed to be safe and were



approved for use in parking areas, schoolyards, parks, golf courses and other public areas.

## **Railway safety**

GJR's safety officer is spearheading efforts to enhance community awareness about rail safety through educational programs and by attending and hosting events. Rail Safety Week was spent individually canvassing elementary and secondary schools in Guelph with important information regarding the availability of school programs, educator toolkits, and bringing rail safety to our students.

A new partnership with Guelph Storm allowed GJR to run a rail safety video in 30 second commercial spots for the 2024-2025 season. This initiative was highlighted by the national headquarters of Operation Lifesaver as it opened conversation with the OHL to potential future sponsorship opportunities, and GJR was recognized as a trailblazer in very crucial area for bringing rail safety awareness to Southwestern Ontario.

Once again in 2024, GJR participated in a provincial priority exercise to practise its role within the Emergency Operations Centre. Dangerous Goods handling by GJR continues to meet the Ministry of Transportation standards for rail security planning and Transport Canada inspection regulations.

## **Challenges, opportunities, and recognition**

### **Challenges**

Certain challenges that affect 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 freight revenues.

The current tariff situation is being monitored closely to assess potential effects on ongoing and planned projects. Until the situation is stabilized and tariffs become more predictable, GJR will adjust project timelines and budgeting to accommodate the changing economic landscape. This approach ensures that projects remain viable and financially sustainable in the face of market volatility.

## **Relationship with other municipalities**

The City continues to address any concerns about 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 calls this year and the City actively collaborates with other municipalities' interests on activities in the rail corridor. GJR and GEXR discuss annually in early spring to discuss fire safety to ensure all parties are in alignment. GJR has strategically placed seven water totes at various hard-to-reach locations throughout GJR's right of way in the Township of Puslinch. This ensures that first responders will have easy access to a reliable water source in areas where water is typically difficult to reach.

As 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 GJR and its economic importance is highlighted.

## **Opportunities**

### **Identification of rail serviceable lands**

A continued priority for GJR 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 GJR's business plans and long-term plans. The GMs of both Economic Development and Tourism and GJR continue to advise the Board of Directors on potential opportunities for rail expansion.

### **Business expansions**

GJR continues to strengthen relationships and financial security with its customers through new business expansions that will increase revenues for all parties involved. With additional tariff contracts in place, GJR's success depends on the success and growth of its customers.

## **Recognition**

### **GEXR recognitions**

The Canadian Region of Genesee & Wyoming which includes the GEXR was awarded the 2024 Rail Association of Canada Safety Award for their "Fatigue

Self-Assessment App”, which allows transportation employees to easily evaluate their level of fatigue at any time, whether at home or work. It also allows each employee to identify and address concerning fatigue and scheduling trends with the goal of ensuring every transportation employee comes to work well-rested and fit for duty. GEXR’s dedication to work-life balance and mental health instills great confidence in us as we prepare to renew our operating agreement in August 2025.

## **Historical Railway Contribution**

GJR continues to accommodate track storage for the Guelph Historical Railway Association (GHRA).

## **Shareholder Tour**

In 2024, GJR organized a shareholder tour that included several city council members and City staff. They visited multiple businesses that depend on GJR's rail services and planning. The tour highlighted the crucial role of coordination and logistics in ensuring timely operations, which is essential for maintaining business continuity.

**Figure 8: Shareholder Tour Attendees**





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