

Please accept the following comments as input to the Council meeting as Shareholder of GJR on July 22, 2020.

As shareholders we should all be very pleased with the 2019 financial performance of the GJR. I am sure this result is due in some measure to good luck and good management but it is certainly not related to good governance.

Last year in a closed meeting Council decided to restructure the Board of the GJR.

The new governance model is unusual (perhaps unprecedented) and certainly places the Shareholder/City in a position of increased risk from a lack of appropriate oversight of an operating railway.

Council's stated objectives for GJR governance could be simply achieved by creating a municipal railway department of the City or by appointing a few council members to serve as Board members for the GJR.

To continue with the City CAO as the railway CEO and as GJR's sole board member is not reasonable. One person should not undertake all these responsibilities and with this governance model the GJR Board cannot oversee the safety, financial and environmental performance of the railway or deal with potential conflict of interest situations. Remember Council serves only as the shareholder of GJR not as its Board of Directors.

Following are some questions I hope you will discuss at the meeting.

1 Has the GJR/City completed an inventory of rail-ready lands (existing and potential). What specific efforts have been made to market these lands to new GJR customers

2 What was the final cost of the AECOM consultant study requested by the City and paid for by the GJR. Is the final study report with governance recommendations a public document.

3 What is the implementation status for each of the specific recommendations in the AECOM report

4 A number of years ago GJR spent \$135 000 to make support provisions for a pedestrian walkway/bikeway adjacent to the new Eramosa River bridge. As this walkway will eliminate a significant trespass and safety concern for GJR what is the projected implementation date for a functioning walkway.

5 Will the GJR work with its major customer PDI to secure sufficient right of way/easement to implement a safe bike/pedestrian way along the north side of the river from the new bridge walkway to the city trail under the Victoria Rd bridge

6 What further actions has the GJR/City taken to convince MTO that the implementation of the new HWY 7/Hanlon freeway connection requires a full grade separation for the GJR rail crossing at the time of construction

7 Is the City's intention to continue the current governance structure of GJR, add Council members to the current Board, convert to a municipal department, sell the asset or revert to a multi-person skills based Board to oversee GJR operations.

As a shareholder I recommend that the City obtain external legal opinion on whether the current governance structure is appropriate for an operating railway and whether this structure places undue risk on the City/Shareholder.

Respectfully Richard Puccini