
MEMORANDUM

TO: CHAIR OF THE STANDING COMMITTEE ON THE ECONOMY
FROM: MATT SCHROEDER, ACTING PRESIDENT & CEO
SUBJECT: FOLLOW UP RESPONSES
DATE: JANUARY 23, 2019
CC: HON. DON MORGAN, MINISTER RESPONSIBLE FOR THE GTH

We have prepared our responses to the follow up items requested at our appearance with the Standing Committee on the Economy on October 29, 2018.

Please see attached document.

Thank you,

MATTHEW SCHROEDER, CPA, CA
Acting President & CEO
GLOBAL TRANSPORTATION HUB
300 - 12222 Ewing Avenue
REGINA SK S4M 0A1
P: 306.798.4603 C: 306.533.8371

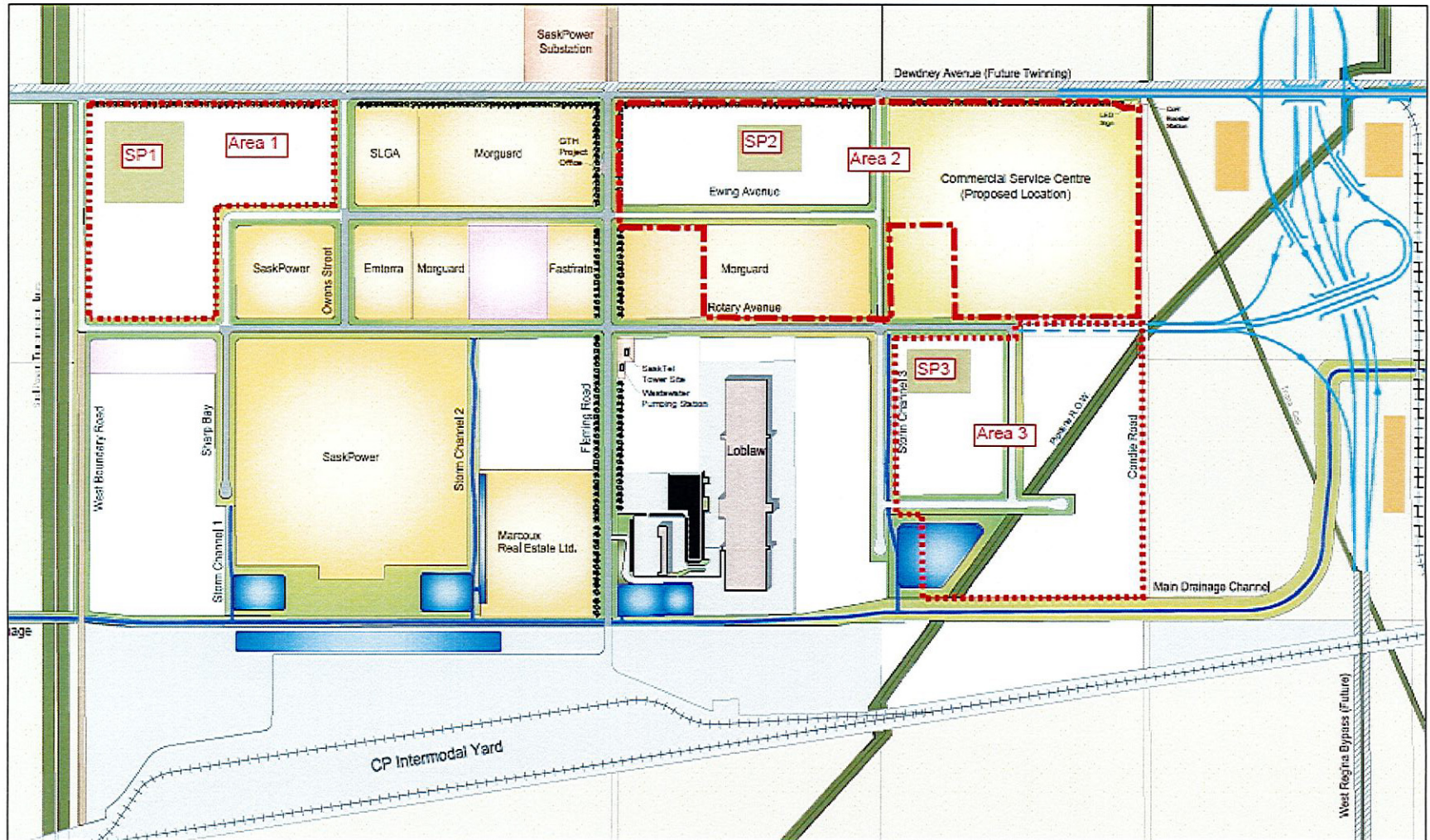
Information Requested by Standing Committee on the Economy October 17, 2018

Request from Committee	Response
<p>If there is a report, is it available to the public and to the members of the committee?</p>	<p><i>The GTH strategic business plan is considered strategic and commercially sensitive information. As we must be active in the commercial marketplace, this is not information we would want our competitors to have. Our approach, competitive analysis and game plan going forward should be considered privileged information reserved for strategic discussions as a management group, with our board and with our minister responsible.</i></p>
<p>Is your business plan available for the committee to review?</p>	<p><i>The GTH business plan is one of the organization's more important intangible assets. We consider this intellectual property that includes target sectors, customer lists, competitive analysis and other critical data that forms the foundation of our competitive business strategy. This is not information we would want our competitors to gain access to.</i></p>
<p>At the bottom of page 9 you indicate that you signed on as one of the founding members of the Protein Industries Canada ... there are 120 organizations that have signed on as <i>supporters</i>, of which the GTH is one. ... would you undertake to correct that statement in your annual report?... to describe yourself as a founding member of PIC in your annual report is misleading is it not?</p>	<p><i>GTH consulted with PIC and given their intention to move forward as a membership-based organization, they have no concerns with the references made in the 2017-18 GTH annual report. They do not foresee the need to change the terminology. They noted our public support for this initiative.</i></p>

Request from Committee	Response
<p>Can you confirm for the committee how many times your officials met with city of Regina officials, and provide us with a list of the dates of those meetings and the locations of those meetings in the last fiscal year?</p> <p>Clarification: all meetings with the City of Regina and the GTH in the last fiscal year '17-18, what dates they were held and where they were held.</p>	<p><i>The CEO had four meetings with officials from the City. Those meetings occurred on the following dates and all related to discussion on the water and waste water agreement.</i></p> <p>Date: April 3, 2017, Location: City Hall Date: April 12, 2017, Location: City Hall Date: Dec 1, 2017, Location: City Hall Date: Mar 15, 2018, Location: City Hall</p> <p><i>In addition to the above meetings the Vice President of Finance held nine additional meetings related to the water and wastewater agreement as follows:</i></p> <p>Date: May 19, 2017, Location: GTH Office Date: June 29, 2017, Location: City Hall Date: July 18, 2017, Location: GTH Office Date: August 9, 2017, Location: GTH Office Date: August 16, 2017, Location: City Hall Date: September 22, 2017, Location: GTH Office Date: October 23, 2017, Location: Drainage channel west of GTH Date: October 26, 2017, Location: GTH Office Date: November 20, 2017, Location: GTH Office</p>
<p>Highways would be paid at the very same time that RBC [Royal Bank of Canada] would be paid, even though RBC is only supposed to get the net proceeds? So how would that work? From each acre of land</p>	<p><i>This agreement is amended on an annual basis through a debt renewal process. The construction-based nature of the loan has always been a year-by-year renewal process. The appropriate information to answer the question posed by the committee can be provided from one of the clauses in the most recent amendment to the agreement:</i></p> <p>1. The Repayment section for Facility (3) is amended and restated as follows: <u>Facility (3)</u></p>

Request from Committee	Response
<p>sale we've determined a predetermined amount out of that land sale that will go to RBC to retire debt.</p> <p>Is that agreement available for the committee and taxpayers to view?</p>	<p>Borrowings under this facility shall be repayable in the amount of \$30,000.00 from the proceeds of each acre sold based on an amortization period of 20 years. In any event, Borrowings outstanding under this facility shall be repayable in full by no later than March 31, 2019.</p> <p><i>The GTH has already engaged with RBC for the next annual debt renewal process and annual amendment approval.</i></p>
<p>How much of the 295 000 cubic metres for further borrow material was used? You say a portion, but I would like to know how much.</p>	<p><i>144,817 m3</i></p>
<p>Could you provide the committee with a breakdown of the cost estimates and the real actuals in relation to all the work that you're describing? And further, what parcels was the borrow material taken from and where was the stockpiles?</p>	<p><i>Ministry of Highways agreed to purchase and received 165,000 m3 of stockpiled borrow material for \$825K and additional \$1.1M for hauling the stockpiled borrow on cost-recovery with no markup.</i></p> <p><i>Ministry of Highways also agreed to purchase 295,000 m3 of further borrow for \$1.5M and pay an additional \$1.8M for stripping, loading and hauling the further borrow (cost-recovery with no markup). The Ministry received 144,817 m3 of this further borrow at a cost of \$724,085 and stripping, loading and hauling cost of \$951,741.</i></p> <p><i>The further borrow locations (Area 1 and Area 2) and stockpiled borrow locations (SP1, SP2 and SP3) are shown on the appended map from 2014.</i></p>

SITE PLAN OF GLOBAL TRANSPORTATION HUB INCLUDING LOCATIONS OF TOPSOIL MATERIAL



Note: Stockpile (SP)

2014