



**Minutes of Guelph City Council as
Shareholder of Guelph Municipal Holdings Inc.
Held in the Council Chambers, Guelph City Hall on
Wednesday, February 15, 2017 at 6:00 p.m.**

Attendance

Council: Mayor C. Guthrie
Councillor P. Allt
Councillor B. Bell
Councillor C. Billings
Councillor C. Downer
Councillor D. Gibson
Councillor J. Gordon
Councillor J. Hofland
Councillor M. MacKinnon
Councillor L. Piper
Councillor M. Salisbury
Councillor A. Van Hellemond
Councillor K. Wettstein

Staff: Mr. S. Stewart, Deputy CAO of Infrastructure, Development and Enterprise Services
Ms. T. Sprigg, General Manager, Corporate Communications and Customer Service
Mr. S. O'Brien, City Clerk
Ms. G. van den Burg, Council Committee Coordinator

Others Present: Mr. P. Sardana, Chief Financial Officer, GMHI and Member of the Strategies & Options Committee
Mr. B. Bell, Member of the GHESI Board and Member of the Strategies & Options Committee

Call to Order (6:00 p.m.)

Mayor Guthrie called the Special Council meeting as Shareholder of Guelph Municipal Holdings Inc. to order.

Disclosure of Pecuniary Interest and General Nature Thereof

There were no disclosures.

GMHI-2017.1 Assessment of Strategies and Options Relating to Guelph Hydro

Mr. Scott Stewart, Deputy CAO of Infrastructure, Development and Enterprise Services provided an overview of the work carried out by the Strategies and Options Committee.

Mr. Bob Bell, representative of the GHESI Board, outlined the reasons why change in the energy sector is occurring including the policy and industry environment, advances in technology, and economic development.

Councillor Gordon arrived at 6:18 p.m.

Mr. Pankaj Sardana, Chief Financial Officer of GMHI, presented preliminary information regarding the options that GMHI is researching related to the changing electricity sector.

Ms. Tara Sprigg, General Manager of Corporate Communications and Customer Service, outlined the various engagement activities that were conducted and the general response from these consultations.

Mr. Scott Stewart, concluded with an assessment of the options and presented recommendations including next steps.

Councillor Piper arrived at 7:01 p.m.

The following delegates addressed Council:

Janice Folk-Dawson on behalf of the Guelph and District Labour Council
Peter Miller
Kithio Mwanzia representing the Guelph Chamber of Commerce
Ron East
Ted Pritchard
Donna Jennison
Steve Dyck, President, Guelph Solar
Paul Costello
Hugh Whiteley
Dr. Dennis Galon
Kari Clifford on behalf of the International Brotherhood of Electrical Workers Local 636 (Unionized Employees of Guelph Hydro)

The following individuals submitted correspondence:

Glen N. Tolhurst
David Harding
Kari Clifford

Council recessed at 8:35 p.m. and resumed at 8:47 p.m.

1. Moved by Councillor Bell
Seconded by Councillor Hofland
 1. That the Strategies and Options Committee (the "SOC") of Guelph Municipal Holdings Inc. ("GMHI") further examine the following options for Guelph Hydro Electric Systems Inc. ("Guelph Hydro"):
 - (a) Sale of all or part of Guelph Hydro to one or more interested purchasers;
and,
 - (b) Merger of Guelph Hydro with one or more other local electricity distribution companies ("LDCs").

2. That in carrying out Recommendation 1, the SOC:
 - (a) conduct an environmental scan of potential transaction partners and potential transactions, with the assistance of an independent advisor, in order to compare the sale and merger options against maintaining full ownership;
 - (b) enter into preliminary discussions with potential transaction partners to discover whether a sale or merger could satisfy the decision-making criteria adopted by the SOC; and
 - (c) continue its public and stakeholder engagement to inform its work, but, without receiving further Council direction, SOC shall not make commitments to any potential transaction partner, whether binding or not, apart from entering into confidentiality agreements and other ancillary agreements to complete its preliminary assessment of a potential transaction.
3. That the SOC report back to Council by mid-2017 with the results of the examination and a recommendation regarding next steps.

First Amendment

2. Moved by Councillor Bell
Seconded by Councillor Billings

That clause 1 (b) be amended to read:

"Merger of Guelph Hydro with a neighbouring utility and to maintain at least 50% of the new merged entity."

Amendment to the First Amendment

3. Moved by Councillor Piper
Seconded by Councillor Hofland

That the following wording be added at the end of "entity".

"Or a contractual clause that gives the City of Guelph veto power over any future sale, merger or acquisition."

Voting in Favour: Councillors Billings, Downer, Gibson, and Piper (4)

Voting Against: Mayor Guthrie, Councillors Allt, Bell, Gordon, Hofland, MacKinnon, Salisbury, Van Hellemond and Wettstein (9)

Defeated

First Amendment

It was requested that the motion to amend be separated into two parts.

4. Moved by Councillor Bell
Seconded by Councillor Billings

That clause 1 (b) be amended to read:

“Merger of Guelph Hydro with a neighbouring utility”

Voting in Favour: Councillors Bell, Billings, and Van Hellemond (3)

Voting Against: Mayor Guthrie, Councillors Allt, Downer, Gibson, Gordon, Hofland, MacKinnon, Piper, Salisbury, and Wettstein (10)

Defeated

“and to maintain at least 50% of the new merged entity.”

Voting in Favour: Councillors Bell, Billings, and Van Hellemond (3)

Voting Against: Mayor Guthrie, Councillors Allt, Downer, Gibson, Gordon, Hofland, MacKinnon, Piper, Salisbury, and Wettstein (10)

Defeated

Second Amendment

5. Moved by Councillor Piper
Seconded by Councillor Hofland

That clause 1b) be amended by replacing “other” with “publicly-owned” so as to read:

“Merger of Guelph Hydro with one or more publicly-owned local electricity distribution companies (“LDCs”).”

Voting in Favour: Councillors Allt, Bell, Billings, Downer, Gibson, Gordon, Hofland, Piper, Salisbury, and Van Hellemond (10)

Voting Against: Mayor Guthrie, Councillors MacKinnon and Wettstein (3)

Carried

Main Motion as Amended

It was requested that the clauses be voted on separately.

6. Moved by Councillor Bell
Seconded by Councillor Hofland

Clause 1

It was requested that the clauses 1 (a) and (b) be voted on separately.

Clause 1 (a)

1. That the Strategies and Options Committee (the "SOC") of Guelph Municipal Holdings Inc. ("GMHI") further examine the following options for Guelph Hydro Electric Systems Inc. ("Guelph Hydro"):

- (a) Sale of all or part of Guelph Hydro to one or more interested purchasers; and,

Voting in Favour: Mayor Guthrie, Councillors Allt, Hofland, MacKinnon, and Wettstein (5)

Voting Against: Councillors Bell, Billings, Downer, Gibson, Gordon, Piper, Salisbury, and Van Hellemond (8)

Defeated

Clause 1 (b)

1. That the Strategies and Options Committee (the "SOC") of Guelph Municipal Holdings Inc. ("GMHI") further examine a merger of Guelph Hydro with one or more **publicly-owned** local electricity distribution companies ("LDCs") as an option for Guelph Hydro Electric Systems Inc. ("Guelph Hydro").

Voting in Favour: Mayor Guthrie, Councillors Allt, Downer, Gibson, Gordon, Hofland, MacKinnon, Piper, Salisbury, Van Hellemond and Wettstein (10)

Voting Against: Councillors Bell, Billings, and Salisbury (3)

Carried

Clause 2

Third Amendment

7. Moved by Councillor Downer
Moved by Councillor Billings

That reference to "sale" be removed from clause 2.

Voting in Favour: Mayor Guthrie, Councillors Allt, Bell, Billings, Downer, Gibson, Gordon, Hofland, MacKinnon, Piper, Salisbury, Van Hellemond and Wettstein (13)

Voting Against: (0)

Carried

2. That in carrying out Recommendation 1, the SOC:
 - (a) conduct an environmental scan of potential transaction partners and potential transactions, with the assistance of an independent advisor, in order to compare merger options against maintaining full ownership;
 - (b) enter into preliminary discussions with potential transaction partners to discover whether a merger could satisfy the decision-making criteria adopted by the SOC; and

(c) continue its public and stakeholder engagement to inform its work,

but, without receiving further Council direction, SOC shall not make commitments to any potential transaction partner, whether binding or not, apart from entering into confidentiality agreements and other ancillary agreements to complete its preliminary assessment of a potential transaction.

Voting in Favour: Mayor Guthrie, Councillors Allt, Bell, Billings, Downer, Gibson, Gordon, Hofland, MacKinnon, Piper, Van Hellemond and Wettstein (12)

Voting Against: Councillor Salisbury (1)

Carried

Clause 3

3. That the SOC report back to Council by mid-2017 with the results of the examination and a recommendation regarding next steps.

Voting in Favour: Mayor Guthrie, Councillors Allt, Bell, Billings, Downer, Gibson, Gordon, Hofland, MacKinnon, Piper, Salisbury, Van Hellemond and Wettstein (13)

Voting Against: (0)

Carried

Adjournment (10:37 p.m.)

8. Moved by Councillor Bell
Seconded by Councillor Gordon

That the meeting be adjourned.

Carried

Minutes to be confirmed on Monday, March 27, 2017.

Mayor Guthrie

Stephen O'Brien - City Clerk