

# SPECIAL COUNCIL AGENDA



**Committee Room C, City Hall, 1 Carden Street**

**DATE WEDNESDAY, APRIL 22, 2015, 6:00 p.m.**

Please turn off or place on non-audible all cell phones, PDAs, Blackberrys and pagers during the meeting.

## **Disclosure of Pecuniary Interest and General Nature Thereof**

### **Council Shared Agenda Workshop #4**

#### **Recommendation:**

1. That staff be directed to report back to Governance Committee with a report summarizing Council's shared agenda.

### **Council Orientation - Information Flow Protocol**

#### **Recommendation:**

1. That the presentation on the Information Flow Protocol be received for information.

### **Council Orientation - Guelph Municipal Holdings Inc.**

#### **Recommendation:**

1. That the presentation on Guelph Municipal Holdings Inc. be received for information.

### **AUTHORITY TO RESOLVE INTO A CLOSED MEETING**

That Council now hold a meeting that is closed to the public with respect to:

*Municipal Act, 2001, S. 239 (2) (a) - the security of the property of the municipality or local board.*

### **ADJOURNMENT**

**GUELPH MUNICIPAL  
HOLDINGS INC.  
Council Orientation**

**April 22, 2015**

# Background Information

<http://www2.guelphholdings.com/annual-report/>



# HISTORY OF GMHI

## **2006** Municipal Act Changed

- municipalities able to incorporate municipal service corporations, including holding companies

## **2008** Council Task Force

- explore options to build strategic opportunities for assets. (ie Guelph Hydro Inc)

*A dozen municipal service corporations were being created across Ontario*

# 2009

Task Force Recommendation:

- modify City's existing asset management approach
- develop a business case study to incorporate a holding company for current and future-owned City assets – focus on a range of assets ie. Land, GJR, Parking, Alternative energy

## 2010

- City Council approved the incorporation of a holding company for current and future City-owned assets;
- Business Case Study supported the decision and established the goals of GMHI:
  - To realize the full potential of City assets
  - To allow for positive synergies among distinct City assets
  - To realize long-term economic and social benefits for the City and the community
  - To be self-financing
  - To provide increased accountability and responsiveness
  - To strengthen strategic alignment of City-owned assets with the strategic goals of the City

## 2011

- Guelph Municipal Holdings Inc. incorporated August 13 under the Business Corporations Act, subject to the Municipal Act regulations.
- **The City of Guelph is sole shareholder of GMHI**
- City Council:
  - approved a Shareholder Declaration to govern the relationship between the City and GMHI and GMHI Subsidiaries, primarily in the areas of Board composition, reporting requirements by GMHI to the City and the reservation of certain decisions to the City.
  - transferred its shares in Guelph Hydro Inc, parent company of Guelph Hydro Electric Systems Inc. and Envida Community Energy, to GMHI

## 2012

- Major Focus: developing Strategy, Governance & Relationship with the GHI group of companies (GEHSI & Envida)
- Sept: Board Strategy Session – “blue sky” opportunities for GMHI.
  - Ideas put forward included projects and development opportunities in Energy/Utilities, Transportation, Municipal Expertise, Assets Management, Procurement and Land Development.
- Dec: Approval of Business Development Plan & Strategic Plan Framework
- GMHI Board adopted 3 areas of strategic focus/related objectives:
  1. Capacity building
  2. Accountability
  3. Transparency / governance.
- Objectives = building blocks to creating the **2013-2016 GMHI Strategic Framework**: “Advancing Innovation and Prosperity” that established the Vision, Mission and Mandate for GMHI.



## 2013

- April
  - Investigation of potential mergers and/or acquisitions
  - Long-term goal of developing a thermal energy utility endorsed in principal
  - Endorsed Envida Community Energy developing economically viable thermal energy projects
- October - Established that the positions of CEO and permanent General Manager be GMHI employees
- November - Established two Task Forces – Thermal Utility and Mergers/Acquisitions
- December - Guelph District Energy Strategic Plan is referred to the Thermal Utility Task Force

## 2014

- August
  - Business Case Study supporting the Amalgamation of GMHI with GHI presented to Council and Amalgamation approved.
  - Council approved new Shareholder Declaration for the amalgamated corporation

[http://guelph.ca/wp-content/uploads/council\\_agenda\\_081314.pdf](http://guelph.ca/wp-content/uploads/council_agenda_081314.pdf)

- September 8, 2014 – Amalgamation effective
- December 15, 2014 – New Board appointed

# **GMHI VISION AND MISSION**

## **Vision**

An adaptive, agile and creative corporation focused on value-added public asset management in support of municipal innovation, revenue generation and community prosperity.

## **Mission**

To actively explore opportunities, establish stakeholder partnerships and act as a vehicle for leveraging and implementing innovative delivery models.

# **GMHI MANDATE**

As approved by Guelph City Council – June 2011

1. To work with operating companies, investors and private partners as appropriate to maximize the value of current and future City-owned assets
2. Act as a catalyst for operational excellence
3. Advise, inform and make recommendations to the City, as Shareholder, on matters and opportunities pertaining to the operating companies reporting to GMHI

# GOVERNANCE MODEL

GMHI is:

- Private corporation
- All shares owned by one shareholder (City)
- Business Corporations Act governs, subject to restrictions in Municipal Act
- A holding company under the Municipal Act
- Governed by a Shareholder Declaration

# **ROLE OF COUNCIL AS SHAREHOLDER**

Council is the decision maker for the Shareholder, the Corporation of the City of Guelph, except to the extent that it delegates any of that authority to the Shareholder Representative, the CAO

The Shareholder makes a decision about or provides direction to the Board of GMHI by Council passing a resolution at a Shareholder meeting.

# ROLE OF THE GMHI BOARD

- Members of the Board of GMHI are appointed by the Shareholder
- The Board is responsible for the management of the business and affairs of the corporation, subject to any reservation of those responsibilities to the Shareholder

# **SHAREHOLDER DECLARATION**

Sets out the relationship between the City and GMHI and the GMHI Subsidiaries:

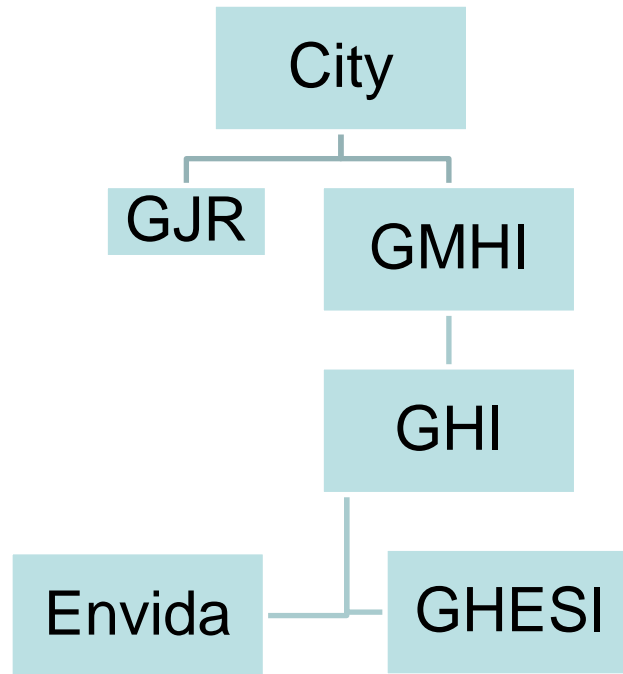
- Composition of Board
- Reporting relationship between Board and the Shareholder
- Decisions reserved to the Shareholder
- Other incidental matters



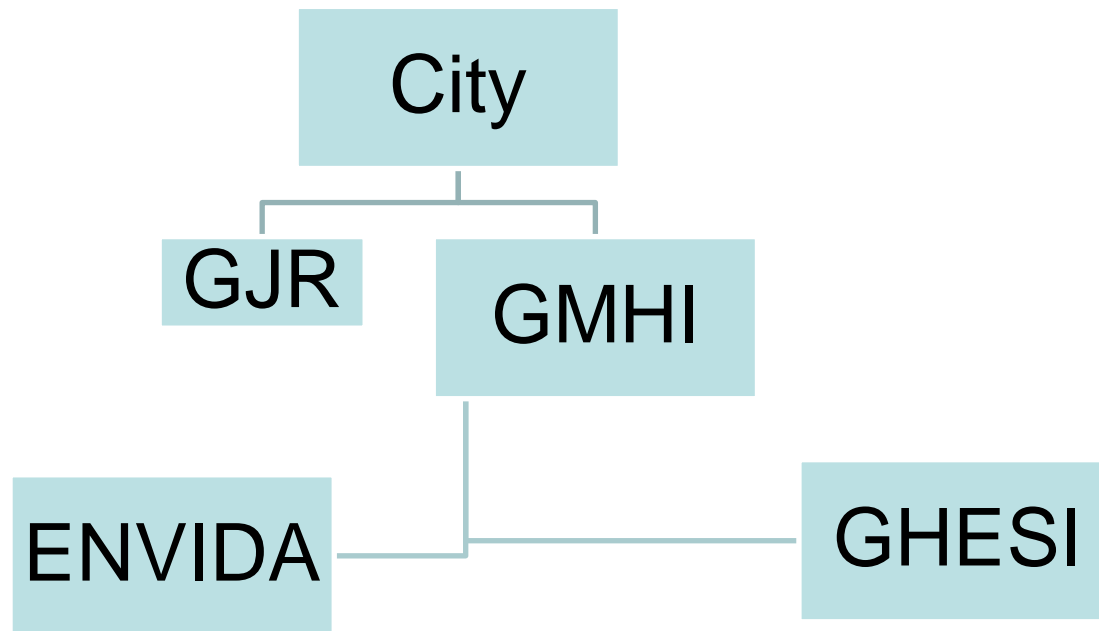
# SHAREHOLDER DECLARATION

- ‘Living” document
- Contents are in the sole discretion of the Shareholder and can be amended at any time
- Is binding on GMHI
- Current GMHI declaration was effective September, 2014

# Original Organization Structure



- Current Organization Structure



# Project Decision Making Models

## Previous:

- **Envida Projects:** Approved by Envida Board (same as GHI Board); not approved by GMHI Board

## Current:

- **Envida Projects:** Up to \$5M approved by Envida Board; above \$5M approved by GMHI Board

# Amalgamation Decision

GMHI's objectives for the restructuring plan were to create a corporate and board structure that supports:

- Agility in decision making.
- Accountability to the shareholder and the public,.
- Efficient use of limited resources to create increased value of managed assets.
- Alignment of the GMHI group of companies with the City's strategic plans and goals.

Business Case Study was presented in August 2014 to support the amalgamation.

# Changes in Shareholder Representation

<b>Old Model</b>	<b>Amalgamated Corporation</b>
Chair was City Mayor	Chair is elected by the GMHI Board
Mayor and four Councillors on the Board	Mayor or his designate and one Councillor on the Board
Up to two independent directors	Five independent directors
City CAO was GMHI CEO	CEO of GHI is CEO of GMHI
City Staff were Treasurer and General Counsel/Corporate Secretary	Former GHI Staff assumed roles as CFO and Corporate Secretary

## **Transition Period**

September 11, 2014 - November 30, 2014

December, 2014:

- Final meeting of old Board
- New Board members appointed

February, 2015: First meeting of new Board