
TO Council as the Shareholder of GMHI

SERVICE AREA GUELPH MUNICIPAL HOLDINGS INC.

DATE May 24, 2016

SUBJECT CHAIR'S REPORT

REPORT NUMBER GMHI-1604

RESOLUTION:

That the report of the Chair of GMHI dated May 24, 2016 be received.

REPORT:

Thank you for the opportunity to serve as Chair of the GMHI Board. I am pleased to provide this report with highlights of Board meetings.

The Board has strengthened oversight and communications and is becoming more transparent with Council as the shareholder and the public. This will accomplish a better outlook for the assets we oversee and ultimately better returns for the shareholder. From a budget perspective, we have looked over what is required at present, and I am satisfied that this is the right course of action to take.

Looking out over the next several years, I am pleased with the opportunities to increase dividends by lowering overhead costs, paying down debt sooner and minimizing risk. I am proud of the renewed dialogue between GMHI and its group of companies. Joint meetings have led to a healthy sharing of information and ideas and have demonstrated that we are better together than divided. I'm thankful to staff and the board of directors for moving quickly on recruitment for our group of companies. I'm confident the new individuals coming on board will continue to move us in the right direction.

The Board of GMHI has held four meetings since the last report to Council on February 26, 2016. The following are the highlights of the decisions made at the meetings and actions taken:

Communications Protocol

A communications protocol, attached, was approved by the Board at its April 6 meeting. New formats for the agendas and minutes have been developed and they will be posted on the City and GMHI websites following approval. This is the first of the monthly reports.

GMHI Work Plan

The Board approved a Board work plan for Q2 and Q3 of 2016, highlights of which include:

- GMHI Committee Terms of Reference
- Recruitment of new Board and Committee members
- Approval of Audited Financial Statements
- Development of 2016 Restated Budget
- GHESI and GMHI Annual General Meetings and Annual Report
- Review of Memorandum of Intentions between the City and GMHI
- Organization of DevCo

GMHI Committee

The terms of reference for a new GMHI Committee were developed by the Board and reviewed by Council at its April closed meeting.

GMHI Annual General Meeting

The Board has set June 20, 2016 as the date for the GMHI Annual Shareholder Meeting. The Shareholder will approve appointments to the GMHI Committees, receive the audited financial statements and confirm the auditor of the Corporation. The Annual Report will also be presented on this date.

Recruitment of Members

Recruitment of members for the GHESI and Envida Boards and the GMHI Committee was commenced in April with an advertisement in the Guelph Tribune and posted on the GMHI websites. The recommendation for appointments will be brought to the June 13, 2016 Council meeting. The formal appointments will be made at the GHESI, Envida and GMHI Annual General Meetings to be held in June.

Financial Statements and Dividend

The Board approved the Audited 2015 Financial Statements which will be presented to the shareholder at the AGM. The Board also approved the declaration of a dividend in the amount of \$375,000 for Q1 2016.

Financial History of the GMHI Group of Companies

Management and employees of GMHI, GHESI and the City worked together to develop the financial history of GMHI and its group of companies that was presented to Council on May 16, 2016. This work is indicative of the GMHI Board's commitment to being transparent and accountable to its Shareholder and the community.

GMHI Restated 2016 Budget

GMHI's 2016 budget needed to be revised as a result of the restructuring, which included the transfer of existing GMHI employees to GHESI. This budget was approved by the Board and presented to Council on May 16, 2016 for Council approval which was obtained.

GMHI-GHESI Shareholder Declaration

The GMHI Board held discussions, including a joint Board meeting, with the GHESI Board regarding amendments to the GMHI-GHESI Shareholder Declaration made to reflect the objectives of Council. The amended declaration was approved by the GMHI Board on May 12, 2016 and will be presented to Council on May 24, 2016.

Guelph Municipal Holdings Inc.

Per:



Cam Guthrie, Chair

ATTACHMENT:

Communication Protocol

COMMUNICATION PROTOCOL

Regular and predictable reporting is one of the key focus areas for the new City-GMHI Shareholder Declaration and GMHI Board members. As such, the following communication protocol is recommended for public and shareholder communications.

1. GMHI Board agendas, minutes and information reports will be developed with open and closed sections.
2. Information reports will be developed on a monthly basis to provide broader context and insight to the minutes. The monthly reports will be developed with open and closed sections consistent with the Board agendas and contain information related to all the GMHI Board meetings that take place in any given month. The corporate secretary will draft the report. The GMHI CEO will review/edit the report. And the GMHI Chair will have final sign off and be responsible for distribution to Guelph City Councillors.
3. Once approved by GMHI Board, the open sections of the agendas and information reports will be posted online to guelphholdings.com and linked to from guelph.ca.
4. Council, as shareholder, has the right to see the open and closed portions of the GMHI Board agendas and minutes and will receive them in confidence.
5. Quarterly reporting is the City of Guelph's CAO responsibility to report on the implementation of Council direction regarding GMHI and will be added to the closed Council agenda.

Quarterly reporting as per 7.02 of the City-GMHI Shareholder Declaration

GMHI shall report quarterly to Council regarding:

- a) Compliance with Applicable Law;
- b) Achievement of strategic and performance objectives established by the City;
- c) Any variances from financial plans or Strategic Plans; and
- d) Material developments in GMHI or its Subsidiaries.

The first quarterly report will be prepared after the GMHI annual general meeting in June.