



**Minutes of Guelph City Council as
Shareholder of Guelph Municipal Holdings Inc. (GMHI)
Held in the Council Chambers, Guelph City Hall on
Monday, June 18, 2018 at 6:01 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. D. Thomson, Chief Administrative Officer
Mr. T. Lee, Deputy CAO of Corporate Services
Mr. S. Stewart, Deputy CAO of Infrastructure, Development and Enterprise
Mr. C. Cooper, City Solicitor/General Manager, Legal and Realty Services
Mr. S. O'Brien, City Clerk
Ms. D. Black, Council Committee Coordinator

Also

Present: Mr. P. Sardana, Chief Executive Officer of Envida and GHESI/Chief Financial Officer of GMHI
Ms. J. Armstrong, Chair of GHESI

Call to Order (6:01 p.m.)

Mayor Guthrie called the meeting to order.

Authority to Resolve into a Closed Meeting of Council

1. Moved by Councillor Van Hellemond
Seconded by Councillor Bell

That the Council of the City of Guelph now hold a meeting that is closed to the public, pursuant to Section 239 (2) (c) and (f) of the Municipal Act with respect to a proposed or pending acquisition or disposition of land by the municipality; and advice that is subject to solicitor-client privilege, including communications necessary for that purpose.

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

Voting Against: (0)

Carried

Councillors Billings, Gibson and Piper arrived at the meeting at 6:03 p.m.

Closed Meeting (6:04 p.m.)

Disclosure of Pecuniary Interest and General Nature Thereof

There were no disclosures.

The following matters were considered:

Confirmation of Minutes for the closed Council as Shareholder of Guelph Municipal Holdings Inc. meeting of June 28, 2017.

GMHI -2018.02 District Energy Assets – Update

Rise and recess from Closed Meeting (6:40 p.m.)

Attendance

Council:

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

Absent: Councillor M. Salisbury

Staff:

- Mr. D. Thomson, Chief Administrative Officer
- Mr. T. Lee, Deputy CAO, Corporate Services
- Mr. S. Stewart, Deputy CAO, Infrastructure, Development and Enterprise
- Mr. C. Cooper, City Solicitor/General Manager, Legal, Realty and Risk Services
- Mr. P. Cartwright, General Manager, Guelph Innovation District
- Ms. B. Swartzentruber, Executive Director, Strategy Innovation and Intergovernmental Services
- Ms. G. van den Burg, Project Coordinator, Guelph Municipal Holdings Inc.
- Ms. D. Evans, General Manager, Culture Tourism and Community Investment
- Mr. S. O'Brien, City Clerk
- Ms. D. Black, Council Committee Coordinator

Also

Present:

- Mr. P. Sardana, Chief Executive Officer, GHESI and Envida /Chief Financial Officer, GMHI
- Ms. J. Armstrong, Chair, GHESI Board of Directors

Open Meeting (6:49 p.m.)

Mayor Guthrie called the meeting to order.

Closed Meeting Summary

Mayor Guthrie spoke regarding the matters addressed in closed and identified the following:

Confirmation of Minutes: Council as Shareholder of GMHI, Closed Session – June 28, 2018

These minutes were adopted by Council.

GMHI-2018.02 District Energy Assets – Update

Staff were given direction on this matter.

Disclosure of Pecuniary Interest and General Nature Thereof

There were no disclosures.

Confirmation of Minutes

2. Moved by Councillor Piper
Seconded by Councillor Van Hellemond

That the minutes of the Council as Shareholder of GMHI AGM Meeting held June 28, 2017 be confirmed as recorded and without being read.

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

Voting Against: (0)

Carried

Items for Discussion

GMHI Report of Activities

Presentation:

Derrick Thomson, CEO, Guelph Municipal Holdings Inc. provided a summary of accomplishments and progress made in 2017.

GMHI-2018.03 Outstanding Governance Matters Related to Guelph Hydro/Alectra Inc. Merger

3. Moved by Councillor Billings
Seconded by Councillor Downer

1. That staff proceed with an application-based process for selecting a Guelph representative for the Alectra Inc. Board of Directors in accordance with the selection criteria in ATT-2 to Report GMHI-2018-03.

2. That staff report back to Council in closed session by Q1 2019 with a recommended individual for appointment to the Alectra Inc. Board of Directors, at which time the name of the individual will be released to the public following approval by the Alectra Inc. Board of Directors.

3. That the Guelph Hydro Electric Systems Inc. Board of Directors be dissolved following the conclusion of all transactions related to the Guelph Hydro/ Alectra Inc. merger, anticipated in Q2 2019.

4. That the Strategies and Options Committee be formally dissolved.

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

Voting Against: (0)

Carried

GMHI-2018.04 GMHI Special and Long-term Dividends

4. Moved by Councillor Allt
Seconded by Councillor Downer

That City Council, as Shareholder of Guelph Municipal Holdings Inc., (GMHI) direct GMHI to direct Guelph Hydro Electric Systems Inc. to declare and pay a one-time Special Dividend to its sole shareholder, GMHI, in the amount of \$18,500,000 in accordance with Section 2.4 of the Merger Participation Agreement.

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

Voting Against: (0)

Carried

Referral

5. Moved by Councillor Bell
Seconded by Councillor Gibson

That the decision regarding the GMHI Special and Long-term Dividends be referred to the next term of Council.

Voting in Favour: Mayor Guthrie, Councillors Bell, Billings, Gibson, and Van Hellemond (5)

Voting Against: Councillors Allt, Downer, Gordon, Hofland, MacKinnon, Piper and Wettstein (7)

Defeated

Motion

6. Moved by Councillor Allt
Seconded by Councillor Hofland

1. That the one-time, special GMHI dividend resulting from the merger with Alectra Inc. be allocated to City Reserves and Reserve Funds and programs as follows:

- City Building Reserve Fund (159) – 45 per cent
- Efficiency, Innovation, and Opportunity Reserve Fund (351) – 45 per cent
- Community Investment Program– 10 per cent

2. That any future increase in the annual dividend received from Alectra Inc. by way of GMHI be directed to the annual tax supported transfer to the City's capital reserve funds in accordance with the Council-approved Capital Allocation Policy.

Amendment

7. Moved by Councillor Gibson
Seconded by Councillor Bell

That the one-time, special GMHI dividend resulting from the merger with Alectra Inc. be allocated to City Reserves and Reserve Funds and programs as follows:

- **City's Infrastructure Reserve Fund – 100 per cent.**

Voting in Favour: Mayor Guthrie, Councillors Bell, Billings, Gibson, and Van Hellemond (5)

Voting Against: Councillors Allt, Downer, Gordon, Hofland, MacKinnon, Piper and Wettstein (7)

Defeated

Main Motion

8. Moved by Councillor Allt
Seconded by Councillor Hofland

1. That the one-time, special GMHI dividend resulting from the merger with Alectra Inc. be allocated to City Reserves and Reserve Funds and programs as follows:

- City Building Reserve Fund (159) – 45 per cent
- Efficiency, Innovation, and Opportunity Reserve Fund (351) – 45 per cent
- Community Investment Program– 10 per cent.

2. That any future increase in the annual dividend received from Alectra Inc. by way of GMHI be directed to the annual tax supported transfer to the City's capital reserve funds in accordance with the Council-approved Capital Allocation Policy.

It was requested that the clauses be voted on separately.

Clause 1

9. Moved by Councillor Allt
Seconded by Councillor Hofland

1. That the one-time, special GMHI dividend resulting from the merger with Alectra Inc. be allocated to City Reserves and Reserve Funds and programs as follows:
 - City Building Reserve Fund (159) – 45 per cent
 - Efficiency, Innovation, and Opportunity Reserve Fund (351) – 45 per cent
 - Community Investment Program– 10 per cent

Voting in Favour: Mayor Guthrie, Councillors Allt, Downer, Gordon, Hofland, MacKinnon, Piper and Wettstein (8)

Voting Against: Councillors Bell, Billings, Gibson, and Van Hellemond (4)

Carried

Clause 2

10. Moved by Councillor Allt
Seconded by Councillor Hofland

2. That any future increase in the annual dividend received from Alectra Inc. by way of GMHI be directed to the annual tax supported transfer to the City's capital reserve funds in accordance with the Council-approved Capital Allocation Policy.

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

Voting Against: (0)

Carried

Envida Report of Activities

Presentation:

Pankaj Sardana, CFO, GMHI

GHEI Report of Activities

Presentation:

Jane Armstrong, Chair, GHEI Board of Directors provided introductory remarks. Pankaj Sardana, CFO, GMHI provided highlights of the GHEI report of activities.

The Mayor also shared information from Alectra's Annual General Meeting.

GMHI -2018.05 2017 Audited Financial Statements and Notes

11. Moved by Councillor Piper
Seconded by Councillor MacKinnon

1. That the Audit Findings Report of the auditor, KPMG LLP, in respect of the 2017 financial statements for GMHI (consolidated) and its subsidiaries be received.
2. That the 2017 financial statements for GMHI (both consolidated and non-consolidated) and its subsidiaries be received;

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

Voting Against: (0)

Carried

GMHI-2018.06 Appointment of KPMG LLP as Auditors for 2018

12. Moved by Councillor Van Hellemond
Seconded by Councillor Downer

That KPMG LLP be appointed as auditor for GMHI and its subsidiaries for 2018.

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

Voting Against: (0)

Carried

GMHI-2018.07 2018 Appointment/Re-appointment of Director(s)

13. Moved by Councillor Gibson
Seconded by Councillor Van Hellemond

That Derrick Thomson be reappointed as the director of GMHI for a one-year term ending at the AGM to be held in June 2019.

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

Voting Against: (0)

Carried

Derrick Thomson thanked staff and the GMHI board members for their hard work and progress made in 2017.

Councillor Wettstein thanked Jane Armstrong for her efforts and hard work, especially during the transition phase.

Mayor Guthrie also thanked everyone involved.

Adjournment (8:26 p.m.)

14. Moved by Councillor Bell
Seconded by Councillor Piper

That the meeting be adjourned.

Carried

Minutes to be confirmed at the Council as Shareholder of GMHI AGM to be held in June, 2019.

Mayor Guthrie

Stephen O'Brien - City Clerk