

City Council as Shareholder of Guelph Municipal Holdings Inc. Meeting Agenda

Consolidated as of June 15, 2018



Monday, June 18, 2018 – 6:00 p.m.
Council Chambers, Guelph City Hall, 1 Carden Street

Please turn off or place on non-audible all electronic devices during the meeting.

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Open Meeting – 6:00 p.m.

Authority to move into closed meeting

That the Council of the City of Guelph now hold a meeting that is closed to the public, pursuant to the Municipal Act, to consider:

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 (Closed)

Section 239 (2) (c) and (f) of the Municipal Act related 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.

Open Meeting

Disclosure of Pecuniary Interest and General Nature Thereof

Closed Meeting Summary

Confirmation of Minutes

That the minutes of the open Council as Shareholder of Guelph Municipal Holdings Inc. meeting of June 28, 2017 be confirmed as recorded and without being read.

GMHI Report of Activities (presentation)

Presentation:

Derrick Thomson, CEO, Guelph Municipal Holdings Inc.

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

Recommendation:

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.

GMHI-2018.04 GMHI Special and Long-term Dividends

Recommendation:

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.

Envida Report of Activities

Presentation:

Pankaj Sardana, CFO, GMHI

GHEI Report of Activities

Presentation:

Jane Armstrong, Chair, GHEI Board of Directors

GMHI-2018.05 2017 Audited Financial Statements and Notes

Recommendation:

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;

GMHI-2018.06 Appointment of KPMG LLP as Auditors for 2018

Recommendation:

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

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

Recommendation:

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.

Adjournment



GMHI Shareholder Meeting June 18, 2018

GMHI Director Opening Remarks

Order of Business

GMHI Report on Activities

- Annual Report
 - A Year in Review – Accomplishments
- Outstanding Governance Matters
- Special & Long-term Dividend

GMHI Subsidiaries

- Envida Report on Activities
- GHESI Report on Activities

2017 Financial Statements

- Appointment of the Auditor

Appointment of GMHI Director(s)

GMHI Report on Activities Annual Report

A Year in Review - Accomplishments

Pre-merger

- ☑ Worked with the Strategies and Options Committee to identify merger partners and enter into successful negotiations
- ☑ Engaged community feedback was considered and community well-informed throughout the merger process

Merger

- ☑ Satisfied the three pillars of decision-making criteria
 1. Value for customers
 2. Value for the community
 3. Value for the City of Guelph
- ☑ Acquired Guelph representation on the Alectra Inc. Board of Directors
- ☑ Secured \$18.5 million in a one-time, special dividend
- ☑ Green Energy & Technology Centre

GMHI Report on Activities Annual Report

A Year in Review - Accomplishments

Current Status

- ☑ Execution and Submission of Merger documents
 - Merger Participation Agreement signed
 - Mergers, Acquisitions, Amalgamations and Divestitures (MAADs) application submitted to the Ontario Energy Board (OEB) (decision anticipated Q3 2018)
- ☑ Merger Transition Teams established to ensure seamless and efficient merger of Guelph Hydro and Alectra Inc.
- ☑ Launched the Transitional Advisory Committee for the GRE&T Centre

Envida

- ☑ Transferred specific Envida assets to GHESI (Rooftop Solar, Eastview Generation, EV Charging Station)

GMHI Report on Activities

Outstanding Governance Matters related to Guelph Hydro/Alectra Merger

Recommended Action

Recruitment process for Guelph representative to the Alectra Board of Directors

- Application-based
- Criteria considers competencies and attributes, particularly local interest

GHESI Board of Directors

- GHESI Board of Directors – mandate concludes Q2 2019
- GMHI Governance Reforms - report back in Q1 2019

SOC Dissolution

- Mandate concluded
- Communication to all members

GMHI Report on Activities

GMHI Special & Long-term Dividends

Approach:

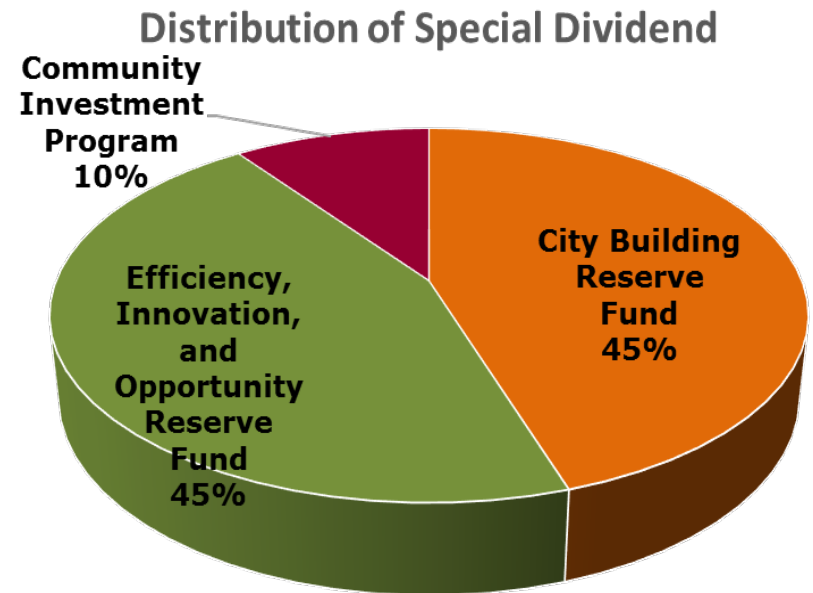
- Enhance existing reserves and programs
 - City Building Reserve Fund
 - Efficiency, Innovation and Opportunity Reserve Fund
 - Community Investment Program

Special, One-time Dividend

One-time, special dividend to be received from GHESI is \$18.5 million

Long-term Dividend

Address the City's tax-funded infrastructure gap





Questions and vote