

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



Wednesday, September 13, 2017 – 6:00 p.m.
Council Chambers, Guelph City Hall, 1 Carden Street

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Open Meeting

Disclosure of Pecuniary Interest and General Nature Thereof

GMHI -2017.3 Amendment to the Composition of the GHESI Board of Directors

Recommendation:

That City Council, as the Shareholder of Guelph Municipal Holdings Inc. ("GMHI"), direct the Chief Executive Officer and Chair of the Board of GMHI to pass a resolution of the GMHI Board, pursuant to which the Council representatives will be removed from the GHESI Board of Directors on a temporary basis, pending City Council's final decision on any proposed merger, approval of the governance structure of the merged entity, and the final restructuring of GMHI.

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:

C-GMHI-2017.2 Strategies and Options Committee –Update on Business Cases for Potential Mergers Section 239 (2) (f) of the Municipal Act related to advice that is subject to solicitor-client privilege, including communications necessary for that purpose.

Open Meeting

Closed Meeting Summary

Adjournment

TO Council as the Shareholder of GMHI

SERVICE AREA GUELPH MUNICIPAL HOLDINGS INC.

DATE September 13, 2017

SUBJECT Amendment to the Composition of the GHESI Board of Directors

REPORT NUMBER GMHI-2017-08

RECOMMENDATIONS:

1. That City Council, as the Shareholder of Guelph Municipal Holdings Inc. ("GMHI"), direct the Chief Executive Officer and Chair of the Board of GMHI to pass a resolution of the GMHI Board, pursuant to which the Council representatives will be removed from the GHESI Board of Directors on a temporary basis, pending City Council's final decision on any proposed merger, approval of the governance structure of the merged entity, and the final restructuring of GMHI.

REPORT:

The City Council representatives on the Guelph Hydro Energy Systems Inc. ("Guelph Hydro") Board of Directors were reappointed pursuant to a resolution passed by GMHI, as Shareholder of GHESI (Attachment 1 to this Report), during the June 28, 2017 GMHI Annual General Meeting with GHESI.

Where any proposed merger discussions are concerned, the City Council representatives on the Guelph Hydro Board of Directors will be called upon to make decisions as both Directors of Guelph Hydro and as representatives of the City, *i.e.*, the Shareholder. This has the potential to lead to inconsistent decision making on the part of those City Council representatives, however inadvertent. Accordingly, it is hereby recommended that those representatives be removed from the Guelph Hydro Board, by way of resolution of the GMHI Board, pending Council's final decision on any proposed merger, approval of the governance structure of the merged entity, and the final restructuring of GMHI.

According to section 4.02 of the City and GMHI Shareholder Declaration regarding GHESI (the "Shareholder Declaration"), the Guelph Hydro Board shall consist of a minimum of five (5) members. Currently, the Guelph Hydro Board is composed of

eight (8) members, including five (5) independent Directors and three (3) City of Guelph representatives.

Section 4.03 of the Shareholder Declaration provides that GMHI, with the approval of the City, shall determine the composition of the Guelph Hydro Board.

Paragraph 4.06(b) of the Shareholder Declaration provides as follows:


“The City, through GMHI, may at any time by resolution of the City and the GMHI Board in its discretion terminate the appointment of a Guelph Hydro Board member prior to the end of the member’s term and appoint a replacement member.”

Pursuant to her August 18, 2017 correspondence to the Chief Executive Officer and Chair of the Board of GMHI, the Chair of the GHESI Board of Directors has advised that, if the Shareholder decides to remove the Council representatives from the GHESI Board of Directors, that decision will be accepted and the workings of the GHESI Board and its committees will continue.

ATTACHMENT:

ATT-1 Resolutions of GMHI as Shareholder, Annual General Meeting with GHESI held on June 28, 2017

Guelph Municipal Holdings Inc.



Per: _____
Derrick Thomson, Director/CEO

RESOLUTIONS OF GMHI as SHAREHOLDER

ANNUAL GENERAL MEETING WITH GUELPH HYDRO ELECTRIC SYSTEMS INC. (GHESI)

DATE OF MEETING: June 28, 2017

RESOLUTIONS:

Approval of Agenda

RESOLVED that the Shareholder Guelph Municipal Holdings Inc. hereby approves the agenda for the June 28, 2017 Guelph Hydro Electric Systems Inc. Annual General Meeting.

Approval of Minutes

RESOLVED that the Shareholder Guelph Municipal Holdings Inc. hereby approves the minutes of Guelph Hydro Electric Systems Inc. Annual General Meeting held June 20, 2016, as presented.

Approval and Reappointment of Auditors

RESOLVED that the Shareholder Guelph Municipal Holdings Inc. approves the reappointment of KPMG as auditors for Guelph Hydro Electric Systems Inc. for the 2017 fiscal year.

Appointment / Reappointment of Directors

RESOLVED that the Shareholder Guelph Municipal Holdings Inc. approves the reappointment of Jane Armstrong and Robert Huggard as members of the Board of Directors of Guelph Hydro Electric Systems Inc. for a two-year term effective June 28, 2017 and ending at the AGM in June 2019.

RESOLVED that the Shareholder Guelph Municipal Holdings Inc. approves to waive the GHESI 12 year term limit policy so that Jane Armstrong may continue to serve as a member of the Board of Directors of Guelph Hydro Electric Systems Inc. until June 2019.

RESOLVED that the Shareholder Guelph Municipal Holdings Inc. approves the reappointment of George Mitges and Marika Hare as members of the Board of Directors of Guelph Hydro Electric Systems Inc. for a three-year term effective June 28, 2017 and ending at the AGM in June 2020.

RESOLVED that the Shareholder Guelph Municipal Holdings Inc. approves the reappointment of Phil Alt and Mike Salisbury as members of the Board of Directors of Guelph Hydro Electric Systems Inc. for a one year term effective June 28, 2017 and ending at the AGM in June 2018.

Guelph Municipal Holdings Inc.

Per:


Derrick Thomson, Director/CEO