



**CITY OF VAUGHAN
SPECIAL COUNCIL MINUTES
JUNE 8, 2018**

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CITY OF VAUGHAN
SPECIAL COUNCIL MEETING

FRIDAY, JUNE 8, 2018

MINUTES

Council convened in the Municipal Council Chamber in Vaughan, Ontario, at 4:00 p.m.

The following members were present:

Hon. Maurizio Bevilacqua, Mayor
Regional Councillor Mario Ferri
Regional Councillor Gino Rosati
Regional Councillor Sunder Singh
Councillor Tony Carella
Councillor Rosanna DeFrancesca
Councillor Marilyn Iafrate
Councillor Alan Shefman
Councillor Sandra Yeung Racco

80. CONFIRMATION OF AGENDA

MOVED by Regional Councillor Ferri
seconded by Councillor DeFrancesca

THAT the agenda be confirmed.

CARRIED

81. DISCLOSURE OF INTEREST

There was no disclosure of interest by any member.

82. ALECTRA SHAREHOLDERS RESOLUTION AND AMENDMENTS TO SHAREHOLDERS AGREEMENT (“USA”)

MOVED by Councillor Yeung Racco
seconded by Regional Councillor Ferri

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- 1) That the recommendation contained in the following report of the Chief Financial Officer and City Treasurer, dated June 8, 2018, be approved.

CARRIED

Report of the Chief Financial Officer and City Treasurer, dated June 8, 2018

Purpose

To seek Council approval on amendments to Alectra's Unanimous Shareholders Agreement as outlined in the attached and to execute the Shareholders Amending Agreement No. 1.

Recommendations

1. That the City of Vaughan approve the resolutions of the shareholders of Alectra Inc. with respect to amendments to the Unanimous Shareholders Agreement, as per Attachment 1;
2. That the Mayor and City Clerk are hereby authorized to execute the Shareholders Amending Agreement No. 1 on behalf of the City, as per Attachment 1.

Report Highlights

- The Board of Directors of Alectra Inc. is requesting minor amendments to Alectra's Unanimous Shareholders Agreement (USA).
- The shareholders of Alectra Inc. are requested to approve these amendments on or prior to Alectra Inc.'s Annual General Meeting (AGM) on June 15, 2018.
- These amendments to the USA include:
 - change the time for providing quarterly reports to Shareholders from 45 days to 60 days after the end of the first three fiscal quarters of each Fiscal Year
 - change Subsection 2.21(1)(d), Subsection 4.2(1) and Subsection 4.2(2) by adding the word "equity" after the word "other" in each of these Subsections.
- The proposed changes provide clarification in the language of the USA, namely to require Shareholder approval for the issuing of additional equity securities, and not for debt securities.
- The Board of Directors of Vaughan Holdings Inc. (VHI) has approved these amendments on June 8, 2018

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Background

The three-way merger of PowerStream Inc., Enersource Corporation, Horizon Holdings Inc. and subsequent acquisition of Hydro One Brampton was finalized on January 31, 2017. The newly merged entity, Alectra Inc., was created with formal execution of the Merger Participating Agreement (MPA) and Unanimous Shareholders Agreement (USA) between all Shareholders. Vaughan Holdings Inc. (VHI) has a 21.49% equity ownership of Alectra Inc.

Previous Reports/Authority

N/A

Analysis and Options

The Board of Directors of Alectra Inc. is requesting minor amendments to Alectra's USA. The first proposed amendment would change the time for providing quarterly reports to Shareholders, as specified in Section 2.26, from 45 days to 60 days after the end of the first three fiscal quarters of each Fiscal Year. This change would make it more practical for business operations and conforms with Alectra's obligation to its Debenture holders.

The additional amendments are with respect to Subsections 2.21(1)(d), Subsection 4.2(1), and Subsection 4.2(2) of the USA. The details of the proposed amendments are as follows:

- Subsections 2.21(1)(d) of the USA is amended by adding the word "equity" after the word "other" in the first line and sixth line thereof;
- Subsections 4.2(1) of the USA is amended by adding the word "equity" after the word "other" in the third line thereof;
- Subsections 4.2(2) of the USA is amended by adding the word "equity" after the word "other" in the second line and fifth line thereof;

The existing language for these Subsections has the consequence of requiring Shareholder approval whenever Alectra goes to the debt bond market or short-term commercial paper market in the normal course of business to meet its ongoing financing needs. Alectra believes that the proposed changes reflect the original intent of this section, namely to require Shareholder approval for the issuing of additional equity securities, and not for debt securities. The revised language in each of the impacted sections is included in Attachment 1 - Shareholders' Amending Agreement No. 1.

The Board of Directors of Vaughan Holdings Inc (VHI) has approved these amendments on June 8, 2018, subject to City of Vaughan Council approval.

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Financial Impact

N/A

Broader Regional Impacts/Considerations

N/A

Conclusion

Alectra Inc.'s Board of Directors is requesting shareholders approve proposed amendments to Alectra's USA on or before its June 15, 2018 Annual General Meeting. It is recommended that the City of Vaughan approve the resolutions from Alectra Inc. and execute the Shareholders Amending Agreement No. 1.

For more information, please contact:

Laura Mirabella, Chief Financial Officer and City Treasurer
Claudia Storto, City Solicitor
Rita Selvaggi, Interim Director of Financial Planning & Development Finance & Deputy City Treasurer

Attachments

1. Shareholders' Amending Agreement No. 1, date June *, 2018

Prepared by

Alex Ly, Senior Analyst, Investments

(A copy of the attachments referred to in the foregoing have been forwarded to each Member of Council and a copy thereof is also on file in the office of the City Clerk.)

83. CONFIRMING BY-LAW

MOVED by Regional Councillor Singh
seconded by Councillor Iafrate

THAT By-law Number 098-2018, being a by-law to confirm the proceedings of Council at its meeting on June 8, 2018, be enacted.

CARRIED

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84. ADJOURNMENT

MOVED by Councillor DeFrancesca
seconded by Councillor Carella

THAT the meeting adjourn at 4:02 p.m.

CARRIED

Hon. Maurizio Bevilacqua, Mayor

Todd Coles, City Clerk