



**Special Committee of the Whole Minutes
City of Peterborough
December 7, 2016
Draft Minutes Not Approved**

**Minutes of the Special Committee of the Whole Meeting held on
December 7, 2016, at Showplace, 290 George Street.**

The meeting of Committee of the Whole was called to order at 6:00 p.m. at Showplace.

Roll Call:

Councillor Baldwin
Councillor Beamer, Chair
Councillor Clarke
Councillor Haacke
Councillor McWilliams
Councillor Pappas
Councillor Parnell
Councillor Riel
Councillor Therrien
Councillor Vassiliadis
Mayor Bennett

Guests:

Todd Williams, Navigant Consultants
John Stephenson, President and CEO, Peterborough Utilities Group
David Paterson, Director, CoPHi
Dave Bignall, Director, CoPHi
Jane Albert, Director, Special Projects, Hydro One
Michael Vels, Chief Financial Officer of Hydro One Limited and Hydro One Inc.

Disclosure of Pecuniary Interest

There were no Disclosures of Pecuniary Interest.

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Chief Administrative Officer

Report CAO16-018

City of Peterborough Holdings Inc. Recommendation to City of Peterborough –Peterborough Distribution Inc. Divestment to Hydro One Inc.

Moved by Mayor Bennett

That Council approve the recommendations outlined in Report CAO16-018 dated December 7, 2016, of the Chief Administrative Officer, as follows:

- a) That in accordance with the Shareholder Direction and Unanimous Shareholder Declaration dated July 30, 2012, the City hereby authorizes City of Peterborough Holdings Inc. (“CoPHI”) to sell substantially all of the assets of Peterborough Distribution Inc. (“PDI”) to Hydro One Inc. for the consideration and pursuant to the terms and conditions set out in the signed proposal letter and term sheet from Hydro One Inc. to CoPHI, dated September 26, 2016 (“Term Sheet”) provided that:**
 - (i) The gross proceeds for the sale transaction net of amounts to be determined and approved by the City, shall be paid to the City (“Net Proceeds”) and**
 - (ii) Such payment of Net Proceeds shall be supported by declarations of dividends equal to such Net Proceeds from PDI to CoPHI and from CoPHI to the City.**
 - (iii) PDI and PUSI be reorganized as required by the Chief Administrative Officer, the Director of Corporate Services and the City Solicitor, Director of Legal Services (collectively the “City Staff”), in consultation with legal counsel and other professional advisors.**
- b) That the City authorizes the Chief Administrative Officer, the Director of Corporate Services and the City Solicitor, Director of Legal Services (collectively the “City Staff”) to work with legal counsel and other professional advisors to negotiate and finalize the Asset Purchase Agreement, an Agreement of Purchase and Sale for a new Operations Centre, a Transition Services Agreement and various ancillary agreements, documents, deeds and instruments, collectively the “Sale Agreements”.**
- c) That the Mayor and the City Clerk are authorized for and on behalf of the City to execute and deliver the Sale Agreements, in the forms reviewed and approved by City Staff.**

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- d) That the Mayor and the Clerk are also authorized to do all such acts and things and to execute and deliver all such documents as in their opinion may be necessary or desirable to complete the sale transaction hereby approved and authorized.
- e) That the Net Proceeds of the sale be placed in an interest bearing reserve account under the control of the City Treasurer with details and options available to Council for investment of the funds to be reported to Council in the second quarter of 2017, including an option to reinvest the funds in City of Peterborough Holdings Inc. to support renewable power generation projects with an interest rate of at least 6% as a point to compare all other options;
- f) That a by-law be adopted to authorize the sale of substantially all of the assets of PDI to Hydro One, authorize staff to negotiate and finalize the Sale Agreements and authorize the Mayor and Clerk to execute any documents pertaining to the sale transaction.
- g) That through the Asset Purchase Agreement, Hydro One Inc. shall establish an Advisory Committee, to provide a forum for communication between the City and Hydro One as soon as practicable after closing. The City in consultation with Hydro One Inc. and CoPHI shall establish the mandate of the Advisory Committee, which will be comprised of representatives of the City, Hydro One Inc. and CoPHI.

"CARRIED"

Adjournment

Moved by Mayor Bennett

That this meeting of Committee of the Whole adjourn at 7:49 p.m.

"CARRIED"

John Kennedy
City Clerk

Councillor Beamer
Chair