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Jun 25, 2024 · 62 tweets · [adamadonaldson/status/1805683146618552669](https://twitter.com/adamadonaldson/status/1805683146618552669)

Coming up at 3:30 pm, it's this year's shareholder meetings for GHMI and Guelph Junction Railway. Stay tuned for ongoing developments based on this agenda:



**City Council Preview – What's on the Agenda for the June 25 Sharehol...**

If it's June, then that means it's time for Guelph City Council to sit as a shareholder. The City of Guelph is the sole shareholder of two different businesses, one is Guelph Municipal ...

<https://guelphpolitico.ca/2024/06/14/city-council-preview-whats-on-the-agenda-for-the-j...>

Mayor Guthrie calls the meeting to order.

Regrets from Cllr Richardson.

Disclosure of Pecuniary Interest and General Nature Thereof? Nope.

The first meeting is for Guelph Municipal Holdings Inc. This corporation holds the shares of Guelph's investment in Alectra Utilities.

First item, appointment of acting director and CEO of GMHI. This used to be CAO Scott Stewart, but since he's retired now temp CAO Jayne Holmes will fill the role till a new CAO is hired.

That motion is approved.

**\*4. Guelph Municipal Holdings Inc. Acting Director and CEO Appointment - 2024-309**

**Recommendation:**

1. That report number 2024-309, entitled Guelph Municipal Holdings Inc. Director and Chief Executive Officer Appointment, dated June 25, 2024 be received.
2. That Council, as Shareholder of Guelph Municipal Holdings Inc., ratify and appoint Jayne Holmes, Acting Chief Administrative Officer for the City of Guelph, as a Director and Chair of the Board and the Chief Executive Officer of Guelph Municipal Holdings Inc., for a term commencing on June 22, 2024 and expiring on the day the by-law appointing a permanent, full-time Chief Administrative Officer for the City of Guelph comes into force and effect.

Recommendation: That the Guelph Municipal Holdings Inc. audited financial statements for the year-ended December 31, 2023, be received for information.

Moved and approved.

That leaves 2023 GMHI Annual Report to Shareholders.

Presenting are:

-Trevor Lee, Chief Financial Officer, Guelph Municipal Holdings Inc.

-Jane Armstrong, Director, Alectra Utilities Inc., City of Guelph Appointee to the Board

2023 snapshot

- Investment in Alectra Utilities is \$104.5 million (increase of \$3.5 million over 2022).
- Cash, accounts receivable and related party receivables total \$3.4 million.

(cont'd)

- \$3.5 million of dividends were received from Alectra Utilities Inc.; GMHI remitted dividends to the City of Guelph as budgeted at \$3.8 million.
- The City of Guelph's investment in GMHI increased by \$2.1 million from the prior year.

There are some contractual obligations on the sale of District Energy assets, and that should be wrapped up this year.

Snapshot cont'd:

GMHI's equity share of Alectra Utilities Inc. rose by \$3.7 million compared to 2022.

GMHI continues to hold a \$400 thousand security deposit on the district energy sale; this generated \$107 thousand of interest income for the entire year.

(cont'd)

- Residual commitments related to the disposition of the district energy assets were compensated in 2023 as budgeted.
- In summary, GMHI continues to be a contributing asset to the City of Guelph, generating ongoing dividends and stable investment value.

Revenues from Alectra growing by 3% per year since it was formed in 2017. Annually, it invest \$300 mn throughout the system including \$10 mn in Guelph alone with \$7 mn of that in refurbished assets. \$10 mn/year is about the budget for that work.

Risk?

- Alectra, like other electricity distributors, is subject to sector-specific risks like: Regulatory, Financial, Strategic, and Operational.
- Alectra has adopted enterprise-wide approach to risk management, which supports routine risk review in ongoing biz/strat plans

2023 community support:

-AlectraCARES touched many front-line agencies and institutional partners

-Focused on food security issues, support for youth & families, and ED&I programs in disadvantaged communities.

-Total investment of \$130,000 in Guelph, more in '24

Alectra invested \$4.2 million to construct and renew infrastructure in the City of Guelph. Focused on asset renewal and customer-driven work impacting 3,000 customers in Southwest Guelph – replacing underground cables and renewing overhead poles.

Outlook?

Evolving business environment creating opportunities and challenges

Decarbonization and the Energy Transition offering good opportunities.

Advocacy has increased in importance.

Alectra's Strategy is resilient

Questions? O'Rourke asks about the billing transition for meter reading, invoicing and collections. Armstrong says she thinks they're still doing electrical, but they were moving away from managing water billing for Guelph and a few other cities.

Armstrong says that they were given an extension, but she's not sure what the status of that is. Lee adds that there is a working group in staff working with Alectra and they are helping with issues as they come up.

O'Rourke: So when will we hear about resolution? Lee says it will come to board for resolution and then the shareholders will be informed.

O'Rourke asks if future income is being driven by increased use and increased rates.

Armstrong says it will be a combination, but at some point there will be rate increases, but the income also driven by competitive areas of investment. They're trying to diversify the streams.

Allt asks if the investment in Guelph would happen whether Guelph is a shareholder or not. Armstrong says that Alectra has to invest to make sure everything's up to snuff, regardless of whether the City is a shareholder or not.

Allt asks about significant billing areas, is it appropriate for people to contact councillors. Armstrong says that it's appropriate for people to go to their councillors who can then take it to Armstrong who will know who to talk to.

Guthrie asks if there are metrics about the timeframe of new infrastructure and builds.

Armstrong says that she's sure there is, but they can bring that info back once her and Lee find it.

Motion to receive the presentation is approved.

That's a wrap for GMHI, we're now moving on to City Council as Shareholder of Guelph Junction Railway Limited.

Guthrie calls this meeting to order.

Same as recommendations as before, Holmes to be named acting CEO. It's approved!

**\*4. Guelph Junction Railway Acting Director and CEO Appointment - 2024-311**



**Recommendation:**

1. That report number 2024-311, entitled Guelph Junction Railway Limited Director and Chief Executive Officer Appointment, dated June 25, 2024 be received.
2. That Council, as Shareholder of Guelph Junction Railway Limited, ratify and appoint Jayne Holmes, Acting Chief Administrative Officer for the City of Guelph, as a Director and Chair of the Board and the Chief Executive Officer of Guelph Junction Railway Limited, for a term commencing on June 22, 2024 and expiring on the day the by-law appointing a permanent, full-time Chief Administrative Officer for the City of Guelph comes into force and effect.

Holmes will now present the annual report.

2023 snapshot:

- Reached a new historic high by exceeding the 2022 record high revenues and railcar volumes
- Continue to reinvest in capital infrastructure
- 640-foot siding completed along Edinburgh Road to accommodate growth with incoming CN railcar traffic  
(cont'd)
- Approximately 272 tons (around 8,300 ties) of old scrap ties cleaned along the GJR right of way
- Completed phase one of three 1,400-foot line-over located between Woodlawn Road and end of track  
(cont'd)
- Took ownership of 2 previously owned Ontario Southland Railway (OSR) locomotive and crew buildings built on GJR lands in the Campbellville yard

Note: Remaining phases of those improvements at Woodlawn are expected to be finished next year.

2023 financials:

- Earned approximately \$2.1 million in net comprehensive income
- Increase of 29 per cent over '22
- Railcar volume increased 9.51 per cent or 498 cars over '22
- \$210,000 dividend declared to the City in 2024
- Net investment in capital of 21 per cent of 2023 revenue

What's these building additions?



## 2023 GJR Building Additions

- Took ownership of two previously owned Ontario Southland Railway (OSR) locomotive and crew buildings built on GJR lands in the Campbellville yard

- To generate an additional source of lease revenue for GJR

- Locomotives will not remain idling outdoors, reducing CO2 emissions

- GEXR is anticipated to occupy both buildings and align with an operating lease extension for a long-term partnership

Getting future ready:

- Continued partnership with railway operator, Goderich- Exeter Railway
- Signal and track maintenance, and flagging contracts continues with PNR Railworks (cont'd)

- Additional XT-99A siding expansion at Edinburgh Road
- Additional Kauffman North siding expansion at York Road
- Campbellville railyard expansion
- Continued monitoring of freight traffic to identify expansion opportunities and reduce congestion

Last but not least, being a good community partner:

- 'Rail with Trail' system connections
- Active stakeholder and participant in the G2G trail connections
- Reviewing future trail connections on GID lands

Connection at Woodlawn and Woolwich is at the design process now and they're looking at the possible trail connections though the Fusion Homes side of the GID lands.

John Fisher of the Guelph Hiking Trail Club will delegate and notes that this is his fourth time. He's concerned that there's no community framework in the governance struggle though notes that there's been changes. Still too corporate though.

Fisher says that while GJR is good at the corporate stuff, he's concerned by page 10 of the report where it notes that there could be trail support or additional sidings. He wonders what side will win out: business or pleasure?

Notes that council supported a community effort to complete the G2G trail, and that work has been ongoing, which hasn't been easy with how guarded GJR has been with info. Need full co-operation to make trail a reality.

Fisher adds a mention in his correspondence about putting the dividend in a rail trail reserve fund of some kind: <https://pub-guelph.escrimemeetings.com/filestream.ashx?DocumentId=48943>

Allt that though he supports the G2G Trail, he's to sure how it can be complete without looking our for GJR commercial benefits. Fisher says the original intent was that corridor should be used for the trail, and his concern is prioritising more business. Needs discussion 1st.

Busuttill asks about governance concerns. Fisher says he's not sure if the CAO can be effective being the CAO while also being the CEO of the Railway co. Traffic impacts is something the CAO should worry about while CEO looks solely at commercial interests How do you do both?

Questions for staff? Downer asks about governance and reporting and why this is different from city reporting? Holmes says GJR reports through a board, and that's different from other city boards. More arms length. There's also some city oversight on staff.

Downer: Do expansions come back to the City?

Holmes: It goes to the board for approval, but it comes to the City for feedback first.

Downer: But is there coordination happening with trails staff?

Holmes: Yes, but not just trails, traffic and engineering too.

Downer asks if there's an opportunity to review governance when the new CAO is hired (not that there's anything wrong with it). Holmes says it's always best practice to make sure you're doing everything right, they \*are\* concerned about balance of commercial/community.

Downer asks when strategic directions are reviewed so that they might look at enhancing community benefit file? Holmes says that would be done through an engagement process, maybe not now, but they are actively trying to be better community partner despite critiques.

Allt asks if the railway leans more to economic investment or social. Holmes says when they're looking at capital and new opportunities, each situation is different. They would make sure there's a good business case to balance both. They don't weigh one more than other.

Allt asks about best approach on co-ordinating on G2G Trail. GJR Staff note the best place to begin is with the City's trails staff and they're brought in as needed. Allt says this is where he's concerned ie: governance, maybe they need Elliott model for GJR.

Allt says that he does appreciate efforts to improve traffic issues, and notes that he's heard from someone in Puslinch who appreciates that the ties are getting cleaned up (although the train whistle still too loud).

O'Rourke asks if the report is provided to Puslinch or Wellington. Holmes says that they don't have a formal presentation, but she does have quarterly meet with acting CAO in Puslinch.

O'Rourke: How many trucks does GJR take off the road per year?

Approximately 272k.

O'Rourke asks about potential for future growth. Holmes says they're struggle with that, b/c they want to make sure they're meeting current needs of business, but doesn't want to lose community connection.

O'Rourke asks if they're looking at more frequent reporting. They are because they've heard that message and they have a good story to tell. It's in progress.

Busuttil asks if GJR serves the west end of Guelph. Staff says they do in the NW industrial side.

Busuttil says she's concerned when the dividend is raised for trails, and wants to talk about Margaret Greene underpass in that convo.

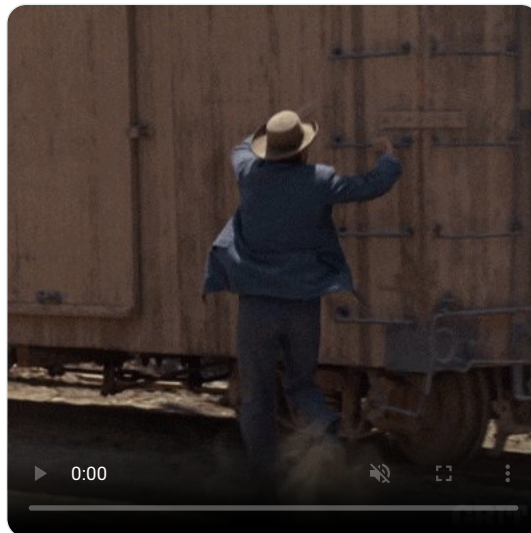
Recommendation: That City Council in its capacity as the sole shareholder of the Guelph Junction Railway Limited receives and approves the Guelph Junction Railway 2023 Annual Report to Shareholders.

Approved!

Also, Recommendation: That the Guelph Junction Railway Limited Audited Financial Statements for the year-ended December 31, 2023, be received for information.

Also approved!

That's a wrap for the shareholder sessions. Be back here in a little bit for the regular meeting.



@threadreaderapp unroll please!

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