

**MINUTES OF
SPECIAL CITY COUNCIL MEETING AND
ANNUAL GENERAL PUBLIC SHAREHOLDER'S MEETING OF
GREATER SUDBURY UTILITIES INC./SERVICES PUBLICS du GRAND SUDBURY**

Held at the offices of: NORCAT
1545 Maley Drive
Sudbury, Ontario

Date of Meeting: Tuesday, June 7, 2016

Time: 3:00 p.m. (Suspended to 4:00 p.m. to meet quorum)

The Special City Council Meeting was opened at approximately 4:00 p.m. The meeting was called to order by the Deputy City Clerk.

MOMENT OF SILENT REFLECTION

ROLL CALL BY THE DEPUTY CITY CLERK

DECLARATIONS OF PECUNIARY INTEREST AND THE GENERAL NATURE THEREOF

Resolution to temporarily suspend the rules of procedure of the City of Greater Sudbury Procedure By-law 2011-235 for the duration of the Special Council Meeting of June 7, 2016 in order to consider matters relating to Greater Sudbury Utilities Inc.

RESOLUTION PREPARED

The Chair of the City Council Meeting invited the Chair of GSU to preside over the GSU Annual General Shareholder's Meeting.

Chair: Councillor Mark Signoretti, Chair of the Board of Greater Sudbury Utilities Inc. in the Chair.

Present: Mayor Brian Bigger, Councillors: Gerry Montpellier, Robert Kirwan, Mike Jakubo, Al Sizer, Deb McIntosh, Fern Cormier

Regrets: Councillors: Michael Vagnini, Evelyn Dutrisac, Robert Kirwan, René Lapierre, Lynne Reynolds and Joscelyne Landry-Altmann

Also present, with the consent of the meeting:

City Officials: Ed Archer, CGS CAO, Lorraine Laplante, CGS Deputy Treasurer and Tanya Thompson CGS Deputy City Clerk

Greater Sudbury Utilities Inc.: Frank Kallonen, President & CEO; Lorella Hayes, Vice President – Corporate Services; Josey Frescura, Vice President – Competitive Services; Kerry Taylor, Manager – Engineering & Operations; Wendy Watson, Director of Communications, Peter McMullen, Director, GSUI, André Thibert, Director GSUI; Victoria Benkovich, Marketing Assistant, Lauren Nykilchuk, Marketing Summer Student, and Cheryl Wilson, Executive Assistant to the President & CEO (acted as Recording Secretary)

Others: Janet Gasparini, Community Energy Plan (CEP), Presenter, Don Duval, Norcat CEO, Presenter, Jeff MacIntyre, Fuel Multimedia, Mary Katherine Keown, Sudbury Star, Olivia Stefanovich, CBC, Rod Baker, Notiform Inc. and Kirk Petroski, Symboticware.

Chair

AM#2016-P-01-01

The GSU Public meeting was called to order at approximately 4:05 p.m.

Noted that the Constitution of Meeting and Declarations of Conflicts of Interest have been read by the Deputy City Clerk in the opening of the Special City Council Meeting, the Chair requested that the meeting proceed to item 4. Community Energy Plan, presented by Janet Gasparini on the GSU Agenda.

Councillors present were provided with an information package containing the CEP summarized presentation, GSU Report to Shareholders, 2015 "connect.prosper.grow", GSU Consolidated Financial Statements to December 31, 2015 and the Media Release "Solid Financial Performance, Community Energy & Innovation featured at AGM".

Presentations

AM#2016-P-01-02

The Chair introduced Janet Gasparini, Chair of the Community Energy Planning Committee. Janet presented a report on the Community Energy Plan introducing the Plan's platform, partners and vision to propel this community's plan successfully.

AM#2016-P-01-03

The Chair introduced Don Duval, CEO of NORCAT. Don offered a brief overview of NORCAT and the NORCAT Innovation Mill. A brief tour of the facility was available at the end of the meeting or could be arranged at a later date.

Annual Report and Financial Statements

AM#2016-P-01-04

The Chair introduced Frank Kallonen, President & CEO of Greater Sudbury Utilities. Mr. Kallonen thanked the Chair and also thanked Janet Gasparini and Don Duval for the informative presentations. The President & CEO discussed the accomplishments in 2015 and what to expect in 2016 and beyond. The President & CEO discussed "Where a Dollar Went in 2015". The President & CEO expressed the importance of the affiliate advantages combining Agilis Networks, @Home Energy and Convergen's contribution in shared costs to the GSU bottom line. GSU and affiliates transferred \$56,920,635 to the City of Greater Sudbury since 2001.

The President & CEO introduced Lorella Hayes, VP-Corporate Services to discuss the GSU Consolidated Financial Statements for the fiscal year ended December 31, 2015. The VP-Corporate Services indicated these statements are the first consolidated financial statements prepared under IFRS (International Financial Reporting Standards). Differences from previous years are the statements are much thicker due to increased note disclosure, separation of operations of the regulatory activity, and the requirement to change the amortization policy. A condensed version of the financial statements with comparative figures from 2014 to 2015 was discussed. Councillor McIntosh requested additional information regarding PILs (payment in lieu of future taxes, #8, page 16 in the statements). The VP-Corporate Services summarized that as a utility we are required to pay the Ontario Electricity Finance Corporation income taxes and calculated future payment in lieu of taxes payable where there is timing differences between current tax payable and future tax amounts owing. Councillor McIntosh thanked Lorella for the additional information.

The Report to Shareholder by the President & CEO resumed. "Driving Customer Service", "In the Community", "Social Media Implementation", "Transformative Partnerships" and "Building Blocks for the Future" were presented to Council. The GSU goal is to "to converge the strengths of our group of companies into an integrated "Utility of the Future". GSU empowers people and communities to connect, prosper and grow through innovation and proven leading-edge technology. The Chair invited questions or comments. Mayor Bigger commented on the exciting projects that GSU and its affiliates are involved with and in the spirit of innovation is something the entire community will benefit from.

The Chair requested the Shareholder to receive and consider the financial statements for the year ended December 31, 2015, containing the balance sheet and accompanying statements, together with the Auditor's Report thereon. The financial statements were considered and adopted by the Board of Directors of Greater Sudbury Utilities Inc. on April 27, 2016.

After consideration, upon motion duly made, seconded (Jakubo/Montpellier) and carried, **IT WAS:**

"RESOLVED THAT the consolidated financial statements of Greater Sudbury Utilities Inc./Services Publics du Grand Sudbury Inc., for the fiscal year ended December 31, 2015, (containing the balance sheet and accompanying statements, together with the auditor's report thereon) be approved."

The Chair thanked the Mayor and fellow Councillors for attending the Shareholder AGM as part of a Special Council Meeting allowing GSU to report on various current and future projects such as the Innovation Policy and Science North. The Chair also thanked his fellow Board members for attending and supporting the GSU Board.

Conclusion of Meeting

AM#2016-P-01-05

Upon motion duly made, seconded (Bigger/Jakubo) and carried, **IT WAS:**

“RESOLVED THAT this Public Annual General Meeting of the Shareholder of Greater Sudbury Utilities Inc./Services Publics du Grand Sudbury Inc. be concluded.”

There being no further business on motion, the meeting then terminated at approximately 5:15 p.m.

Councillor Mark Signoretti, Chair
Chair of the Meeting

Frank Kallonen, President & Secretary