



Guelph Municipal Holdings Inc. (GMHI)

2020 Annual Report to Shareholders
Guelph City Council Meeting
June 28, 2021

2020 snapshot

- In 2019, through a series of transactions and amalgamations of municipal corporation holdings, a resultant single entity, GMHI continues forward.
- Also in 2019, a governance realignment provided a refreshed governance model that simplified Council as a Shareholder's oversight of GMHI operations.
- These are complex transactions that were necessary to ready GMHI for the future.

2020 snapshot

- The combination of these two actions produced a single municipal corporation predominantly holding the Shareholder's interests of 4.63% in the operations of Alectra Inc.
- Following the Shareholder's direction, GMHI has been diligently working to divest its interests in District Energy assets; specifically, the Hanlon Creek Park node and the Downtown District node.
- The Hanlon Creek Park node has been closed and completed significantly under budget.

2020 snapshot

- The Downtown District node closure is well underway and expected to be wound down by the end of 2021. More exciting news to come on this initiative.
- This final activity represents closure of the City's interests and activity in the District Energy model and transitions GMHI to holding its 4.63% share of Alectra.

2020 financials

- KPMG LLP has performed the audit of GMHI's 2020 financial statements and has issued an unqualified "clean" opinion.
- GMHI's total comprehensive income for 2020 is \$3.0 million:
 - \$3.5 million investment income from Alectra
 - \$731 thousand in non-dividend income from Alectra
 - \$296 thousand net loss from the residual operations of district energy assets
 - \$847 thousand in wind down costs related to the completion of the Hanlon Business Park node
 - \$121 thousand administrative expenses

2020 financials

- From above, the Shareholder should expect continued investment income from Alectra and a reduced level of administrative expenses.
- GMHI declared \$2.6 million regular dividends in 2020 (\$2.1 million in 2019).
- The prudent management of the City's interest in GMHI is an important asset that generates a healthy dividend to the City which in turn reduces the requirement of property tax increases to fund capital infrastructure renewal.

2021 Outlook

- GMHI is committed to completing the wind down of the Downtown District node respecting the City's commitment to its Community Energy Initiative and as well as the City's Strategic Plan; Guelph. Future ready.
- GMHI will also work to align its budget with the City's commitment to a multi-year budget cycle.



Thank you