

Staff Report



To	City Council as Shareholder of Guelph Junction Railway Limited
Date	Tuesday, June 24, 2025
Subject	Guelph Junction Railway Limited – Governance Update

Recommendation

1. That the staff report dated June 24, 2025 entitled Guelph Junction Railway Limited – Governance Update be received.
 2. That the Amended and Restated Shareholder Declaration of The Corporation of the City of Guelph, as the sole shareholder of Guelph Junction Railway Limited, included as Attachment-1, be approved by resolution of the shareholder.
 3. That the Amended and Restated By-law Number 1 of Guelph Junction Railway Limited, included as Attachment-2, be approved by resolution of the shareholder.
 4. That the resignation of Tara Baker from the position of Chief Executive Officer of Guelph Junction Railway Limited be accepted and take effect at 11:59pm June 24, 2025.
 5. That the appointment of Jayne Holmes as Chief Executive Officer of Guelph Junction Railway Limited, as recommended by the Board of Directors, be approved, to take effect as of 12:00am June 25, 2025 and to hold office for the length of time to be determined by the directors, at their discretion, subject to earlier resignation or removal.
 6. That Gene Matthews be elected as a director of Guelph Junction Railway Limited to hold office for a term of up to three (3) years, subject to earlier resignation, removal, or election of his successor.
 7. That the appointment of Gene Matthews as Chief Financial Officer of Guelph Junction Railway Limited, as recommended by the Board of Directors, be approved, to hold office for the length of time to be determined by the directors, at their discretion, subject to earlier resignation or removal.
 8. That the appointment of James Goodram as Chief Operations Officer of Guelph Junction Railway Limited, as recommended by the Board of Directors, be approved, to hold office for the length of time to be determined by the directors, at their discretion, subject to earlier resignation or removal.
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Executive Summary

Purpose of Report

This report is provided to the Council of The Corporation of the City of Guelph (the City), in its capacity as shareholder of Guelph Junction Railway Limited (GJR). The purpose of this report is to present and recommend:

- a. the Amended and Restated Shareholder Declaration attached as Attachment-1 to this Staff Report for approval by the City as shareholder of GJR;
- b. the Amended and Restated By-law Number 1 attached as Attachment-2 to this Staff Report for approval by the City as shareholder of GJR; and
- c. the election of a director to fill a vacancy on the Board, resignation of the current Chief Executive Officer of GJR, and appointment of the Chief Executive Officer, Chief Financial Officer, and Chief Operations Officer as recommended by the Board.

Key Findings

- Guelph Junction Railway Company was incorporated by a special act of Parliament in 1884 and was continued as a corporation under the *Canada Business Corporations Act* (CBCA) as Guelph Junction Railway Limited (GJR) in 2015.
- At the time of continuance, the initial board of directors of GJR passed organizational By-law Number 1, which establishes the basic structure, rules, and regulations for governance of the corporation.
- In November 2015, the City as the sole shareholder of GJR made a Shareholder Declaration which imposes restrictions on the power of the directors to manage, or supervise the management of, the business and affairs of GJR.
- The Board of Directors of GJR has reviewed By-law Number 1 and the Shareholder Declaration and recommend certain amendments for approval of the Shareholder. The amendments are recommended with a view to: strengthening the strategic governance role of the Board by requiring the development of a Board mandate; enhancing the ability of the directors to fulfil their duty to manage the business and affairs of the corporation, including structured management and accountability of the officers and senior staff of the corporation; alignment with the CBCA, as well as minor administrative amendments.
- At the Annual General Meeting of the City as shareholder of GJR on February 11, 2025, the shareholder set the number of directors at three (3) and appointed two (2) additional directors.
- There is currently a vacancy on the Board. The remaining directors recommend the election of a director to fill the vacancy.
- The Board also recommends new appointments to the offices of Chief Executive Officer, Chief Financial Officer and the newly designated officer of the Chief Operations Officer.
- Should the shareholder approve the appointments recommended by the Board, the directors and officers of GJR will be as follows:
 - **Directors:** Tara Baker, Jayne Holmes, Gene Matthews (filling a vacancy).

- **Officers:** Tara Baker as Chair, Jayne Holmes as Chief Executive Officer (replacing Tara Baker), Gene Matthews as Chief Financial Officer (filling a vacancy), James Goodram as Chief Operations Officer (new office), Jennifer Charles as Corporate Secretary, Les Petroczi as General Manager.

Financial Implications

None.

Report

Background

Guelph Junction Railway Company was incorporated by a special act of Parliament in 1884, and was continued as a corporation under the *Canada Business Corporations Act* (CBCA) as Guelph Junction Railway Limited (GJR) in 2015.

In connection with the continuance of the corporation, the initial board of directors pass an organizational by-law – By-law Number 1 – which establishes the basic structure and rules and regulations for governance of the corporation. The City as the sole shareholder of GJR made a Shareholder Declaration in November 2015, which imposes restrictions on the power of the directors to manage, or supervise the management of, the business and affairs of GJR. In the event of a conflict, the Shareholder Declaration takes precedence over the By-law Number 1 of the corporation. In the event of a conflict, the Shareholder Declaration takes precedence over the By-law Number 1 of the corporation. In the event any by-law of the corporation or any provision of the Shareholder Declaration conflicts with the CBCA, or is silent on any aspect of governance, the CBCA governs.

The Board has reviewed By-law Number 1 and the Shareholder Declaration and recommend certain amendments with a view to: strengthening the strategic governance role of the Board by requiring the development of a Board mandate; enhancing the ability of the directors to manage the business and affairs of the corporation, including structured management and accountability of the officers and senior staff of the corporation; alignment with the CBCA; as well as minor administrative amendments.

There is currently a vacancy on the Board and the directors recommend that Gene Matthews, the Acting DCAO of Corporate Services of the City of Guelph, be elected as a director and Chief Financial Officer of GJR. The Board also recommends the shareholder accept the resignation of Tara Baker, Chief Administrative Officer of the City of Guelph, from the office of Chief Executive Officer of GJR, and approve the appointment of Jayne Holmes, DCAO of Infrastructure, Development and Environment of the City of Guelph as Chief Executive Officer of GJR. The Board also recommends the appointment of James Goodram, the General Manager of Economic Development and Tourism of the City of Guelph, to the newly designated office of Chief Operations Officer of GJR. The General Manager of GJR will report to the Chief Operations Officer.

Recommendations

Amended and Restated Shareholder Declaration

The Board of Directors of GJR recommend the City approve the Amended and Restated Shareholder Declaration regarding GJR which includes the following amendments, as well as administrative edits:

- Revised definition of “Applicable Law” to ensure all regulations and quasi-regulatory guidelines and policies applicable to GJR as a short line railroad are captured, reflecting GJR’s focus on compliance.
- The Board of Directors may appoint officers of the corporation, specify their duties, and delegate responsibility for management of the business and affairs of the corporation. This change is consistent with section 121 of the CBCA which provides for director appointment of officers and is consistent with the duties of the officers as described in the organizational by-law. The power of the Board to appoint officers and to delegate responsibility is subject to limitations in the Articles, By-laws, any shareholder declaration from time to time, and the CBCA.
- The Board is required to adopt a written mandate, acknowledging responsibility for stewardship of GJR and its management and affairs.
- The term of office for directors shall be one to three years as determined by the City as shareholder, consistent with section 106(3) of the CBCA.
- Provisions to address vacancy on the Board of Directors, consistent with section 111 of the CBCA.
- Specify what constitutes quorum of directors, consistent with section 114(2) of the CBCA.
- Specify the mandatory offices of the corporation, namely the Chief Executive Officer, Chief Financial Officer, Corporate Secretary and a new Chief Operations Officer. The General Manager of GJR shall report to the Chief Operations Officer, which reflects the current reporting structure and strengthens operational strategy and oversight, reporting and accountability, and risk identification and mitigation.
- Clarified role of the Chair of the Board as the Shareholder Representative and the reporting relationship between City and GJR, facilitated by the Shareholder Representative.

Amended and Restated By-law Number 1

The Board of Directors of GJR recommend the City approve the Amended and Restated By-law Number 1 which includes the following amendments consistent with the Amended and Restated Shareholder Declaration, as well as administrative edits:

- Specify the mandatory offices of the corporation, namely the Chief Executive Officer, Chief Financial Officer, Corporate Secretary and a new Chief Operations Officer.
- Include position descriptions for the mandatory offices of the corporation.
- Provide that the General Manager of GJR shall report to the Chief Operations Officer.

Directors and Officers

There is currently a vacancy on the Board and the remaining directors recommend that Gene Matthews, the Acting DCAO of Corporate Services of the City of Guelph, be elected as a director and Chief Financial Officer of GJR.

The Board of Directors have considered the optimal governance structure and roles and responsibilities of the officers of the corporation. Given that GJR is an operating entity that requires close management, regular communication and structured accountability, it is the best interest of the corporation to have the reporting structure of GJR align with the reporting structure of the City positions involved in the business and affairs of GJR. Specifically, the General Manager of GJR reports to the General Manager, Economic Development and Tourism of the City of Guelph (recommended for appointment as Chief Operations Officer of GJR), who in turn reports to the DCAO of Infrastructure, Development and Environment of the City of Guelph (recommended for appointment as Chief Executive Officer of GJR).

Accordingly, the Board of Directors recommends that the City as shareholder accept the resignation of Tara Baker as Chief Executive Officer of GJR and approve the appointment of Jayne Holmes as Chief Executive Officer, and James Goodram as Chief Operations Officer, respectively.

Should the shareholder approve the appointments recommended by the Board, the directors and officers of GJR will be as follows:

- **Directors:** Tara Baker, Jayne Holmes, Gene Matthews (filling a vacancy).
- **Officers:** Tara Baker as Chair, Jayne Holmes as Chief Executive Officer (replacing Tara Baker), Gene Matthews as Chief Financial Officer (filling a vacancy), James Goodram as Chief Operations Officer (new office), Jennifer Charles as Corporate Secretary, Les Petroczi as General Manager.

Financial Implications

None.

Consultations

James Goodram, General Manager, Economic Development and Tourism, City of Guelph

Gene Matthews, Acting Deputy CAO, Corporate Services, City of Guelph

Attachments

Attachment-1 Amended and Restated Shareholder Declaration

Attachment-2 Amended and Restated By-law Number 1

Report Author

Jennifer Charles, Corporate Secretary of Guelph Junction Railway Limited and General Manager of Legal and Court Services / City Solicitor, City of Guelph

This report was approved by:

Jayne Holmes
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Limited and Deputy Chief
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This report was recommended by:

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