

HYDRO VAUGHAN DISTRIBUTION INC., HYDRO VAUGHAN HOLDINGS INC. & HYDRO VAUGHAN ENERGY CORPORATION

Recommendation

The City Solicitor, in consultation with the Vice President of Corporate Services & Secretary of Hydro Vaughan Distribution Inc., recommends:

- 1 That the Resolutions of the Shareholder of Hydro Vaughan Distribution Inc., Hydro Vaughan Holdings Inc. and Hydro Vaughan Energy Corporation to remove Mario G. Racco from the Boards of Directors, effective when he ceases to be a Councillor of the City of Vaughan, be executed by the City as sole shareholder, and,
2. That any compensation payable to Mr. Racco from any of the said Corporations cease as of such date.

Purpose

The purpose of this report is to reflect Councillor Racco's deemed resignation as a Councillor as a result of his election to the Provincial Legislature on the Boards of Directors of the three (3) Hydro Corporations. It is necessary to ensure that Mr. Racco has no conflict with sitting on the Boards and the Legislature at the same time. The three (3) Corporations are discrete from the City and there is no automatic deemed resignation as there is with his position as Councillor.

Background - Analysis and Options

Pursuant to Section 82 of the Election Act, Councillor Racco is deemed to resign as a Councilor on the date that the return of the Provincial Election is published in the Ontario Gazette which is estimated to be some day this week. Council has directed that the Boards of Directors of the three Vaughan Hydro Corporations be composed of the members of Council. It is recommended that the attached three (3) Resolutions be passed by each Corporation to remove Mr. Racco from the Boards of Directors on the date that he ceases to be a member of Council.

Conclusion

It is advisable to remove Councillor Racco from the Boards of Directors of Hydro Vaughan Distribution Inc., Hydro Vaughan Holdings Inc. and Hydro Vaughan Energy Corporation, effective on the date that he is deemed to resign as a Councilor to avoid any possibility of conflict.

Attachments

- Resolution of the Sole Shareholder of Hydro Vaughan Distribution Inc.
2. Resolution of the Sole Shareholder of Hydro Vaughan Holdings Inc.
3. Resolution of the Sole Shareholder of Hydro Vaughan Energy Corporation

Report prepared by:

Robert J. Swayze

Respectfully submitted,

Robert J. Swayze
Commissioner of Legal & Administrative Services
City Solicitor

RESOLUTION OF THE SOLE SHAREHOLDER

HYDRO VAUGHAN DISTRIBUTION INC.

RESOLVED THAT Mario G. Racco be removed from the Board of Directors of the Corporation effective on the date that the return of the 2003 Provincial Election is published in the Ontario Gazette.

The foregoing is hereby consented to by the Sole Shareholder of the Corporation pursuant to the provisions of the *Business Corporations Act*.

Dated this 20th day of October, 2003.

THE CORPORATION OF THE
CITY OF VAUGHAN

John D. Leach

RESOLUTION OF THE SOLE SHAREHOLDER

HYDRO VAUGHAN HOLDINGS INC.

RESOLVED THAT Mario G. Racco be removed from the Board of Directors of the Corporation effective on the date that the return of the 2003 Provincial Election is published in the Ontario Gazette.

The foregoing is hereby consented to by the Sole Shareholder of the Corporation pursuant to the provisions of the *Business Corporations Act*.

Dated this 20th day of October, 2003

THE CORPORATION OF THE
CITY OF VAUGHAN

John D. Leach

RESOLUTION OF THE SOLE SHAREHOLDER
HYDRO VAUGHAN ENERGY CORPORATION

RESOLVED THAT Mario G. Racco be removed from the Board of Directors of the Corporation effective on the date that the return of the 2003 Provincial Election is published in the Ontario Gazette.

The foregoing is hereby consented to by the Sole Shareholder of the Corporation pursuant to the provisions of the *Business Corporations Act*.

Dated this 20th day of October, 2003.

THE CORPORATION OF THE
CITY OF VAUGHAN

John D. Leach