

Meeting Notes

May 4th, 2015 @ 10am

CAO's Office

Present: Ed Houghton, John Brown and Sara Almas

John reviewed the history of the initiation of the independent shared services agreement review, beginning with the motion requested by Councillor Mike Edwards (re: the 2003-2005 Agreement). John reiterated that the 2003 agreement that had been the sole focus of the entire review which was later criticized for the errors, had been prepared by the consultant that had been specifically requested to speak with Ed, David McFadden and Brian Bentz. John noted that never during the initial consultation or after the final revision follow-up did anyone, including Ed, David or Brian, note that there was this "potentially" binding letter dated July 31/12 that replaced and enhanced the value to PowerStream of the 2013 agreement.

John asked Ed was he aware of the July 31/12 letter. Ed said he had not remembered the letter, however, when Brian Bentz distributed the letter in March this year, that he then recalled being aware of it. He stated that he was first made aware of the letter on July 31, 2012 when he was asked to sign it. He had never been involved in its preparation and did not obtain advice from legal or KPMG before signing it. The SSA had never been an issue for the town until approximately 16 months ago.

Ed confirmed:

- that the July 31/12 letter was prepared and provided by Dennis Nolan on behalf of PowerStream as a last minute item to satisfy the terms to complete the sale.
- no legal or other advice of the July 31/12 letter was received by Ed.
- Ed had no involvement in the development of the letter. Believes the letter was reviewed/negotiated between the Mayor and Dennis Nolan directly.
- Believes Leo was in the room when the documents were all being signed.
- Ed is tracking down all legal invoices that will indicate Leo's involvement.
- Ed could not confirm that he was fully aware of the contents of the letter/agreement. John asked if he knew about the enhancement about the inclusion of return on equity – Ed said that is not much value – maybe 8 or 9%.
- Ed told John to ask people that were directly involved. Ed can't interpret the letter to be binding or not to be binding, and told John "to ask your share partner."
- need to move forward and renegotiate appropriate terms and work with Brian Bentz.