

SPECIAL COUNCIL #22-97

August 28, 1997
Meeting began at 7:00 p.m.
Civic Complex

142/97

PRESENT: A special meeting of Council was held with the following members present: Mayor Dick Aubry, Aldermen Brian Sylvester, Susan Carter, Denis Carr, Brian Lynch, Naresh Bhargava, and Dean Hollingsworth.

Aldermen Chuck Charlebois, Chris Savard, and Claude Poirier arrived at 7:05 p.m. Alderman Angelo Lebano arrived at 7:10 p.m.

IN ATTENDANCE: Richard Allaire, Chief Administrator/Clerk, Paul Fitzpatrick, Assistant C.A.O./Manager, Economic Development, Frank McDonald, Steve Alexander, Bonnie Ruest, and Denise Labelle-Gelinas, Recording Secretary.

DISCLOSURE OF INTEREST

Nil

CORNWALL ELECTRIC

Mayor Dick Aubry provided opening remarks and indicated that this meeting was to receive information on the possible use of the proceeds from the sale of Cornwall Electric, after which The Chair would entertain questions from the Council and written question, pertinent to this meeting, from members of audience.

A presentation of the information was given by Mr. Cliff Nelles, Vice-President and Director of Government Finance for Scotia McLeod Inc., Mr. Mario Ferrara, Managing Director of Government Finance for Scotia McLeod Inc., and Mr. Frank McDonald, Manager of Finance for the Corporation of the City of Cornwall.

The Chair proceed to receive questions from Members of Council and from the audience.

Following are a list of questions posed by the audience:

1. If a new owners buys Cornwall Electric, you said that they will assume the Company's debt. Therefore, the price the City receives is less than selling price. (Mr. Nick Kaneb)
2. When will Scotia McLeod give us a breakdown based on not selling Cornwall Electric, but instead having Cornwall Electric paying taxes or P.I.L.O.T. (Payment in Lieu of Taxes). What would the revenue be from that? (Marilyn Kaneb)
3. If the City of Cornwall received 50 million for the sale of Cornwall Electric and used the monies to pay off transferred debts from the Province of Ontario, would Council not loose the initiative to fight off the transferred debts from the Province of Ontario.

What are the other cities that do not have a utility to sell doing regarding the transfer of Provincial debts? (Glen Martel)
4. If you pay off the company and City debts, your figures are not right. You have given us an utopian view of the City of Cornwall. Why did you not use the right net figures and give us a true picture. (Kaneb)
5. Regardless of the option selected, will the City seek proposals from firms other than Scotia McLeod, such as C.I.B.C., Wood Gundy or Dominion Securities to manage the investment and the cost thereof? (Gilles Metivier)
6. Does the presentation take into account the additional \$15 million which is to be down-loaded from the Ontario Government? (Andie Lamoureux)
7. Will any of the monies be used to lower the tax rate to attract business and relieve existing business. (Jack Hoines)
8. Would your company advise me to sell majority shares in Cornwall Electric with Ontario Hydro's seven reactors down so I could use the money to buy Government bonds and pay my low interest house mortgage which will be paid off in eight years? (Anne Lalibeste)
9. Using the price of \$50 million for the sale of Cornwall Electric, does this mean that the City has not calculated for the lower purchase price of \$17 million dollars and, if so, where would the money be placed. (Glen Martel)
10. Could the \$7 million dollars that is freed up be used to reestablish the level of service that the ratepayers enjoyed before the budget cuts. (A. Lamoureux)

The meeting adjourned at 9:20 p.m.



Clerk



Mayor

Recording Secretary