



AGENDA

Town Council

June 2, 2022 - 5:30 PM

Town Administration Building - Council Chambers

AGENDA FOR SPECIAL MEETING OF THE TOWN COUNCIL TO BE HELD ON THURSDAY, JUNE 2, 2022 AT 5:30 PM IN THE COUNCIL CHAMBERS OF THE TOWN ADMINISTRATION BUILDING, 4938 – 50 AVENUE, RIMBEY, ALBERTA.

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1. CALL TO ORDER SPECIAL COUNCIL MEETING & RECORD OF ATTENDANCE

1.1 LAND ACKNOWLEDGEMENT

2. AGENDA APPROVAL AND ADDITIONS

3. MINUTES

4. PUBLIC HEARINGS

5. DELEGATIONS

6. BYLAWS

7. NEW AND UNFINISHED BUSINESS

7.1 Missing Link Fibre Optic Partnership Request
[RFD 7.1 Missing Link Fibre Optics Request](#)

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8. REPORTS

9. CORRESPONDENCE

10. OPEN FORUM

(Bylaw 939/18 - Council Procedural Bylaw Part XXI 1. The open forum shall be for a maximum total of twenty (20) minutes in length to allow members of the public present at the meeting to address Council regarding issues arising from the meeting in progress. No formal decision shall be made on any matter discussed with Council during the open forum session.

11. CLOSED SESSION

12. ADJOURNMENT



Town Council
REQUEST FOR DECISION

Council Meeting Date	02 Jun 2022
Subject	Missing Link Fibre Optic Partnership Request
Closed Session	Public Information
Background	<p>Phil Swanson, on behalf of Missing Link Internet, submitted a letter to Mayor and Council on March 31, 2020. The letter requests the Town financially engage with Missing Link to submit an application to CRTC for a fiber optic network within the Town of Rimbey.</p> <p>As a result of the discussions in 2020, Council directed Administration to prepare and distribute a survey to residents of Rimbey regarding the fiber optic line project. Town Council passed the following motion on April 28, 2020:</p> <p><u>Motion 102/20</u></p> <p>Moved by Mayor Pankiw that Administration prepare and distribute a survey regarding the fibre optic line project to the residents of Rimbey for their comment.</p> <p>After reviewing the survey results, Council passed the following motion on May 26, 2020:</p> <p><u>Motion 124/20</u></p> <p>Moved by Councillor Payson to provide Missing Link Internet with a letter of support for their submission to the CRTC for a grant for the construction of fibre optic lines in the Town or Rimbey.</p>
Discussion	<p>At the Regular Council meeting held on May 25, 2022, Phil Swanson informed Council that their application for funding had been approved by CRTC. To proceed with the application, Mr. Swanson indicated that they were required to respond to CRTC by June 3, 2022. Mr. Swanson proposed that Missing Link and the Town of Rimbey enter into an agreement with the same terms as outlined in 2020.</p> <p>Missing Link's is proposing a partnership between Missing Link and the Town of Rimbey to secure federal broadband</p>

infrastructure funding to build a fiber network to the property line of each business and residence in the town of Rimbey. The proposal indicates the Town of Rimbey would own 25% of the Town of Rimbey Fiber project. Over the course of the next 15 years Missing Link will gradually purchase back the town's 25% ownership beginning after initial construction which is anticipated to be 3 years. The Town is required to invest approximately \$700,000 in this project to be repaid over 15 years. The remaining funding is from the federal government grant program administered by the CRTC. Missing Link Internet will invest \$2,500 per customer from the property line to the final connection as their contribution to this project.

Administration spoke briefly with legal counsel regarding Missing Link's partnership proposal. We have not yet received a written legal opinion because of the time constraints for the decision on this proposal. Missing Link requires a decision by tomorrow, June 3rd. We anticipate receiving a formal letter from legal during the week of June 6, 2022.

The Municipal Government Act Section 265 and 266 clearly identifies the conditions in which a municipality can lend money. Section 265(1) states:

265(1) A municipality may only lend money to a non-profit organization, one of its controlled corporations or the designated seller within the meaning of section 30(1) of the Gas Distribution Act, SA 1994 cG-1.5 as it read on June 30, 1998, if the loan is authorized by bylaw.

As such a municipality cannot lend to or invest in a for profit company. If Council decides to go ahead with the proposal as outlined and their decision is challenged by Municipal Affairs, each Councillor could potentially be held personally liable for any financial burden the town may incur.

Legal has indicated that there are several issues related to the proposed partnership. As stated above, the municipality may not loan funds or invest funds in a for-profit company. As well, there is a question as to how the 25% ownership interest could be quantified.

That said, Legal has indicated that there are ways in which this project could move forward. The Town could establish a Municipally Controlled Corporation which is a separate corporation formed by the municipality with shares given to both the municipality and Missing Link. This structure involves heavy regulations including public hearings to enable the community to voice their concerns and/or approval of the project. It is our understanding that the corporation will become

	<p>taxable and income taxes will be required to be paid on any profits.</p> <p>A Limited Partnership could also be formed between 2 partners. The partnership is considered non-profit as all profits flow through to each partner. Therefore, because it is considered non-profit, the municipality can lend funds to the partnership.</p> <p>We don't believe that either of the solutions above involve giving up the 25% ownership at the end of 15 years so the Town would continue to have a 25% investment in the project. Much more investigation and legal consultation is needed if Council decides to go with either the Municipal Controlled Corporation or the Limited Partnership scenarios.</p> <p>At this time, Administration recommends that Council not enter a partnership with Missing Link as outlined by the proposal. If Council decides they wish to investigate other options for partnership, then direct Administration to consult legal to determine the best investment vehicle for the Town and Missing Link to proceed.</p> <p>OPTIONS:</p> <ol style="list-style-type: none">1. Enter into an agreement with Missing Link to provide approximately \$700,000 funding to Missing Link to construct a fiber optic network within the Town of Rimbey as outlined in the proposal brought forward by Missing Link Internet.2. Do not enter into an agreement with Missing Link to provide approximately \$700,000 funding to Missing Link to construct a fiber optic network within the Town of Rimbey as outlined in the proposal brought forward by Missing Link Internet.3. Postpone the investment commitment until the legal opinion is received.4. Investigate other options to partner with Missing Link Internet to provide fiber optic network within the Town of Rimbey.
<p>Recommendation</p>	<p>At this time, Administration recommends that Council not enter a partnership with Missing Link as outlined by the proposal.</p> <p>If Council wishes to investigate other options for partnership, then direct Administration to consult legal to determine the best investment vehicle for the Town and Missing Link to proceed.</p>

Prepared By:

Elizabeth Armitage, MEDes, MCIP, RPP
Planning and Development Officer

June 2, 2022
Date

Endorsed By:



Lori Hillis, CPA, CA
Chief Administrative Officer

June 2, 2022
Date