



Council Workshop
Council Chambers
September 5, 2017
7:00 p.m.

In attendance: Deputy Mayor Vardas

Councillors: Paul Isaac, Cheri Funke, Myron Thompson, and Nolan Blatchford

Absent: Mayor Leslie, Councillor Verna McFadden

Staff: Linda Nelson, CAO

Vic Pirie, Director of Finance and Administration

Jim Hall, Manager Operations

Jon Allan, Economic Development Officer

Cynthia Robey, Legislative Executive Assistant

Betty Ann Fountain, Special Projects Administrator

1. Call to Order

Deputy Mayor Vardas called the Council Workshop to order at 7:00 p.m.

2. Modification to or Adoption of Agenda

Councillor Isaac moved that the Town of Sundre Council adopt the September 5, 2017 Council Workshop Agenda, as presented. Carried

3. Adoption of Minutes

Councillor Blatchford moved that the Town of Sundre adopt the June 19, 2017 Council Workshop Minutes, as presented. Carried

4. Broadband Feasibility Report - Update

The Economic Development and Corporate Services Departments provided Council with a detailed report. The following excerpts are taken from this report:

At the June 26, 2017 Council Meeting, Council received a presentation by Banister Research and Consulting on the outcome of a public consultation process involving residents, property owners and businesses located within the Town of Sundre. Following that presentation, Council received an RFD regarding the Public Engagement Report prepared by Banister Research and Consulting and the possible next steps.

Based on the results of the public consultation process, Administration recommended to Council to continue the feasibility study, by contacting Fortis regarding a possible pole survey report.

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Administration contacted Fortis regarding, completing at no cost, a high level review of the poles within the Town of Sundre and to provide requirements for possible pole replacements.

After a meeting with Fortis on August 9, 2017, Administration calculated the following information:

	Best Case Scenario	Worst Case Scenario	Average
Fortis Estimate	\$1,300,000	\$1,900,000	\$1,600,000
Number of Poles	900	900	
Cost per Pole	\$1,444	\$2,111	\$1,778
Actual Poles	600	600	
Actual Estimate	\$866,400	\$1,266,600	\$1,066,500
Rebuild Benefit	44%	44%	
Cost with Rebate	\$381,216	\$557,304	\$469,260

None of the costs identified in the above table was included in the capital cost estimate provided to Council at the February 27th Council Meeting. The cost estimates provided to Council indicated debenture borrowings of \$2,742,519 (which includes a 20% cost contingency) would be required to develop the broadband infrastructure for the Town. Under this scenario it would take approximately three years to begin to produce an operational surplus excluding debt servicing and approximately six years to produce an operational surplus including debt servicing. Using the Town's worst case scenario would result in an additional \$560,000 in debenture debt borrowings and it would take approximately eight years to produce an operational surplus including debt servicing.

Currently our debt limit is \$12,593,587 of which the Town is currently utilizing \$4,566,390, which includes the \$1,000,000 debenture for the Centre Street project. If the Town proceeds with the Broadband project an additional \$3,302,159 will be required to be borrowed against the Town's debt limit. Such borrowings will utilize approximately 26% of the current debt level. Although it does not constrain projected debenture borrowings in the 2017 – 2021 approved capital plan, it may constrain future borrowings beyond 2021 or for projects that may be identified in a proposed 2018 – 2022 capital plan.

Council is now receiving this information in order to prepare to make a decision on whether to proceed with completing a pole survey. During the August 9, 2017 meeting with Fortis, Administration was informed that it would take several months, once the pole survey was completed by the Town, before Fortis would be able to finalize the results and determine the actual numbers of poles that would be

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required to be replaced, and the cost for such replacement. Cost estimates for the pole survey is approximately \$110 per pole or \$66,000 for 600 poles. Such funding would be through reallocation of infrastructure reserve funding. These costs would be included in the capital costs of the project and eventually returned back to the infrastructure reserve.

An RFD will be brought forward for Council's decision at the Council Meeting of September 11, 2017.

Comments:

- Cost to investigate +\$70K;
- Cost to investigate filter down to Town;
- Fortis should know caliber of assets (poles), should be no further costs to investigate;
- Unclear expectations / results;
- Focus should be on tourism (infrastructure, development);
- Is now the time for Broadband?
- Set priorities funding on tourism;
- Developers see Broadband as an asset;
- Town has control over Broadband project;
- Access to Broadband will encourage young families to settle here and attract business to Sundre;
- Why do we have to replace poles? To support weight of Broadband cable;
- Have reserves been used for feasibility study? Majority of funds used;
- Is there potential for competition in the future? Possible but as a user of our system to provide their services (internet service providers), paying for that privilege;
- Theoretically, Residential revenue for usage \$70.00 per household. Town receives percentage of Internet provider's cost to household;
- Town carries risk;
- Does the Provincial or other levels of government provide funding to assist with costs?
- Is there a possibility to work with Province, Federal government agencies, and MVC with benefits to both municipalities?
- Apply profits garnered from Broadband to tourism initiatives.

Deputy Mayor Vardas moved that the Town of Sundre accept the Broadband report, as information.

Carried

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Council would like to send a note of condolence to former Councillor, Joe Henze.
Council expressed sympathy to the family at the loss of Mrs. Henze.

Councillor Funke moved that the Town of Sundre Council go into In-Camera at 7:42 p.m. **CARRIED**

5. In-Camera

Advice from Officials – FOIPP Section 24(1) (g)
Intergovernmental Relations – FOIPP Section 21(1)
Local Public Body Confidences – FOIPP Section 23(1)(a)

Councillor Isaac moved that the Town of Sundre Council come out of In-Camera at 8:15 p.m. **CARRIED**

6. Adjournment

Councillor Isaac moved that the Town of Sundre Council conclude the Workshop at 8:15 p.m.
CARRIED

Mayor

I hereby certify these minutes are correct.

Chief Administrative Officer