

Minutes of the Town of Olds Special Closed Council meeting held electronically on Friday, June 25, 2021 at 8:00 a.m. through Zoom Meetings in the Council Chambers, at the Town Municipal Office.

This Special Closed Council Meeting was conducted through electronic communications and was held without the public body present at meeting location and was electronically communicated through ZOOM MEETINGS. The PUBLIC had the opportunity to HEAR the meeting by calling this number 1 587 328 1099 (within Canada) and when prompted enter the Meeting ID 337 948 8245 and then Password 943170 to listen in to the live meeting.

PRESENT – ELECTED OFFICIALS:

In the Chair, Mayor Michael Muzychka (from Chambers)

ELECTRONICALLY PRESENT – ELECTED OFFICIALS:

Councillor Debbie Bennett, Councillor Wanda Blatz, Councillor Mary Jane Harper, Councillor Mary Anne Overwater, Councillor Heather Ryan and Councillor Mitch Thomson.

ABSENT– ELECTED OFFICIALS:

ELECTRONICALLY PRESENT for the Regular meeting of Council – STAFF:

Michael Merritt, Chief Administrative Officer; Doug Wagstaff, Director of Community Services; Sheena Linderman, Director of Finance; Monica Leatherdale, Communications Coordinator and Marcie McKinnon, Legislative Clerk.

1. CALL TO ORDER

Mayor Michael Muzychka called the meeting to order at 8:21 a.m.

A.) ADDED ITEM(s)

None

B.) ADOPTION OF THE AGENDA

Moved by Councillor Overwater, “to accept the agenda for the Friday, June 25, 2021 Special Closed Council meeting, as presented.”

Motion Carried 21-246

2. CLOSED SESSION

Section (5) business will be conducted in a CLOSED SESSION under FOIP as follows:

FOIP Section 16 – Disclosure harmful to business interests of a third party

FOIP Section 25 – Disclosure harmful to economic and other interests of a public body

FOIP Section 27 – Privileged Information

Moved by Councillor Blatz, “that Council move to closed session in accordance with Section 197(2) of the *Municipal Government Act* to discuss matters exempt from disclosure under FOIP Section 16, 25 and 27 at 8:22 a.m. with CAO Merritt, Director Wagstaff, Director Linderman, Monica Leatherdale and Marcie McKinnon to remain in attendance.”

Motion Carried 21-247

Mayor Muzychka explained the process to the meeting participants for when Council moves in and out of the Closed Session.

Public participants were moved to the waiting room of the meeting platform at 8:22 a.m.

Moved by Councillor Harper, "that the meeting reconvene to the regular Council meeting at 8:43 a.m."

Motion Carried 21-248

Mayor Muzychka recessed the meeting at 8:43 a.m.

Mayor Muzychka reconvened the meeting at 8:53 a.m.

Administration moved staff from waiting room back to the meeting at 8:53 a.m.

RISE AND REPORT

Councillor Overwater read the following resolution into the record:

RESOLUTION
TOWN OF OLDS
REGARDING OLDS INSTITUTE AND OLDS FIBRE

WHEREAS:

- A. The Town of Olds (the "Town") has provided financial support to Olds Institute for Community and Regional Development ("Olds Institute") in the creation of the Olds Connected Community Network ("OCCN"), and the creation and operation of Olds Fibre Ltd. ("Olds Fibre") and its services to Town residents and businesses and surrounding area ("O-NET"), in the form of secured loans and guarantee of bank indebtedness totaling in excess of \$18 Million dollars;
- B. The Town became increasingly concerned that the pursuit of other and alternative financing or funding for the operations of OCCN and O-NET by either Olds Institute or Olds Fibre represented increased risks to the Town as the primary secured lender, as well as risks to the communities and individuals from whom additional financing or funding was sought;
- C. Due to the level of debt carried by the Town to facilitate the financial supports, the debt limit that is imposed upon the Town under provincial legislation, the financial support for the OCCN network has placed significant constraint on current and long term planning for the Town of Olds, in May 2020 the Town required that Olds Institute and Olds Fibre pursue opportunities for other investment or sale in order to reduce risks to the Town and residents, and relieve in whole or in part the financial debt limit burden carried by the Town;
- D. Pursuant to the Town's loan and security agreements in place, the Town issued a Forbearance Agreement in favour of Olds Institute and Olds Fibre in May of 2020, to permit a reasonable amount of time and opportunity for Olds Institute and Olds Fibre to pursue opportunities for other investment or sale before requiring repayment of Town loans. The forbearance periods have been extended 3 times in order to continue to provide reasonable time period and opportunities;
- E. Concurrent with the Forbearance Agreement, through the Town's legal counsel the Town retained BDO Canada Ltd. as a financial advisor to review the financial positions of Olds Institute and Olds Fibre, and provide advice as to the current abilities of, and future prospects for Olds Institute and Olds Fibre to substantially reduce the outstanding loans and financial assistance provided by the Town;
- F. The financial advisor's assessment confirmed that the success and the long term financial viability of the operation of the OCCN and O-NET is dependent upon expansion

of service beyond the Town's boundaries, and/or dependent upon significant new capital investment, and all still subject to substantial delays in generating the necessary revenues from such expansions, none of which the Town was willing or financially able to provide, absorb or carry;

- G. The Town created a Broadband Investment Committee, in order to receive information and updates from Olds Institute and Olds Fibre, to receive the recommendations of the Town's financial advisor and legal counsel, and to make recommendations to Town Council as to decisions in relation to the administration of the Town's investment in and support of the OCCN and O-NET;
- H. Despite the time and opportunities provided, Olds Institute and Olds Fibre have been unable to generate interest or offers that would be capable of satisfying the Town's need for substantial reduction or elimination of the Town financial supports for the OCCN and O-NET;
- I. In order to allow the Town to continue to support the OCCN and O-NET, and in order to continue to support and ensure the operation and delivery of services, and on the basis of recommendations and advice received, the Town has determined that the ownership and control of OCCN and O-NET and other assets and operations of Olds Institute and Olds Fibre must be reorganized for the purposes of continued operations and eventual marketing and sale.

NOW THEREFORE BE IT RESOLVED THAT:

- 1. The recommendations of the Broadband Investment Committee, together with the recommendations of the Town's financial advisor and legal counsel, be accepted by Council.
- 2. The period of forbearance under the Forbearance Agreement with Olds Institute and Olds Fibre shall not be renewed or extended any further.
- 3. The Town's legal counsel are directed to proceed with the seeking of the appointment of a receiver and receiver/manager of Olds Institute and Olds Fibre, with a view to seeking a reorganization of assets and operations for the purpose of continued operation under a Town-controlled corporation, and potential marketing and sale.

~~Moved by Councillor Thomson, "that Council defer the matter/decision for thirty (30) days until adequate reporting can be provided to Council."~~

Moved by Councillor Thomson, "that Council defer the matter of the decision for thirty days, until all of Council can receive full information on the matter."

Motion Defeated 21-249

The Mayor called for the vote on the resolution currently on the floor.

Motion Carried 21-250

Councillor Blatz read the following resolution into the record:

RESOLUTION _____
TOWN OF OLDS

REGARDING THE PUBLIC HEARING FOR THE ACQUISITION OF SHARES OF OLDS FIBRE LTD. ("OFL") AND CONVERSION OF OFL INTO A MUNICIPALLY CONTROLLED CORPORATION

WHEREAS:

- J. Pursuant to Resolution _____ allowing the appointment of a receiver and receiver/manager of Olds Institute for Community and Regional Development ("**Olds Institute**") for the purpose of seeking a reorganization of assets and operations of the same, the Town of Olds (the "**Municipality**") wishes to acquire all of the shares of Olds Fibre Ltd. ("**Olds Fibre**"), a corporation incorporated pursuant to the *Business Corporations Act* (the "**BCA**"), from the sole shareholder, Olds Institute.
- K. The purpose of the acquisition of all of the shares of Olds Fibre by the Municipality is to ensure:
- a. continuity and quality in the provision of fibre optic internet services to the residents and businesses of the Municipality and the surrounding services areas,
 - b. acquisition of the Olds Connected Community Network currently owned by the Olds Institute,
 - c. ownership and proper operation and maintenance of the Olds Connected Community Network,
 - d. acquisition of the Mountain View Power assets and operations of Olds Institute, and
 - e. the proper operation and delivery of products and services of the Mountain View Power assets and operations.
- L. Acquisition of all of the shares of Olds Fibre by the Municipality will effectively change the nature of Olds Fibre into a municipally controlled corporation (an "**MCC**"). Pursuant to both the terms of Division 9 of Part 3 of the *Municipal Government Act* (the "**MGA**") and the *Municipally Controlled Corporation Regulation* (the "**MCC Reg**"), a municipality may only obtain and control a corporation incorporated pursuant to the BCA if certain preliminary steps are taken, which include the consideration of a business plan.
- M. The Council of the Municipality wishes to comply with all obligations under the MGA and the MCC Reg to obtain control of Olds Fibre through the acquisition of all of the shares in Olds Fibre and convert Olds Fibre into an MCC.

BE IT RESOLVED THAT:

1. The Municipality shall provide its notice of intention to hold a public hearing on July 26th, 2021 at 1:00 p.m. in the Council Chambers at 4512 46 Street in Olds, Alberta as required by sections 75.1, 75.5, 230 and 606 of the *Municipal Government Act* and Section 3 of the *Municipally Controlled Corporation Regulation*, as this draft notice of intention to hold the public hearing, prior to obtaining control of Olds Fibre by acquiring all of the shares of the same and converting Olds Fibre into an MCC.

The Mayor called for the vote on the resolution currently on the floor.
Motion Carried 21-251

3, ADJOURNMENT

Moved by Councillor Harper, "that this meeting be adjourned at 9:12 a.m."
Motion Carried 21-252



Michael Muzychka,
Mayor



Michael Merritt,
Chief Administrative Officer

These minutes were approved on the twenty-eighth day of June, 2021.

