



**Regular Meeting of Council #11  
September 11, 2018**

**MINUTES**

***Present:***

**Mayor Gary Goobie  
Deputy Mayor Curtis  
Councillor Kevin Costello  
Councillor Kim Ghaney  
Councillor Roger Myette**

***Staff:***

**Gary Corbett, CAO  
Christa Turnbull, Executive Assistant**

***Regrets***

**Councillor Jim Joy  
Councillor Sadie King**

- 1. CALL TO ORDER at 5:36 pm  
Moment of Silence in recognition of 17<sup>th</sup> anniversary of 9/11**

- 2. ADOPTION OF AGENDA**

**18-11-109**

Ghaney/Buckle

Adoption of Agenda of September 11, 2018 as presented.

**In Favor 5**

**Mayor G. Goobie  
Deputy Mayor C. Buckle  
Councillor K. Costello  
Councillor K. Ghaney  
Councillor R. Myette**

**Opposed 0**

**Abstained 0**

**Motion Carried**

- 3. ADOPTION OF MINUTES**

Adoption of Minutes of August 21, 2018 as presented.

**BUSINESS ARISING**

N/A

- 4. UPDATE- PLANNING & DEVELOPMENT COMMITTEE**

**a. 18-11-110**

**Costello/Myette**

**Location: 36 Country Path**

**Zoning: RMD**

**Proposal: Residential**

**BE IT RESOLVED** to approve the above application, in principle, subject to the Town of Holyrood Development Regulations.

**In Favor 5**

**Mayor G. Goobie  
Deputy Mayor C. Buckle  
Councillor K. Costello  
Councillor K. Ghaney  
Councillor R. Myette**

**Opposed 0**

**Abstained 0**

**Motion Carried**

**b. 18-11-111**

**Costello/Buckle**

**Location: 365 Blackhead Road**

**Proposal: St. John's Urban Region Regional Plan Amendment  
2, 2018**

**BE IT RESOLVED** to notify the City of St. John's that the Town of Holyrood has no issue/comments on the above noted Regional Plan Amendment.

**In Favor 5**

**Mayor G. Goobie  
Deputy Mayor C. Buckle  
Councillor K. Costello  
Councillor K. Ghaney  
Councillor R. Myette**

**Opposed 0**

**Abstained 0**

**Motion Carried**

**c. Residential Small Lot**

**18-11-112**

**Costello/Ghaney**

**BE IT RESOLVED** to approve Residential Small Lot development Regulations Amendment between Floods Road to Botanical Garden road, with a depth of 150 m. Minimum lot area will be 450 square meters, Minimum floor area will be 55 square meters, and maximum floor area is 75 square meters. Permitted Uses will be Single Dwelling, and recreational open space. Discretionary Uses will be office (in home), utilities and antenna.

**In Favor 5**

**Mayor G. Goobie  
Deputy Mayor C. Buckle  
Councillor K. Costello  
Councillor K. Ghaney  
Councillor R. Myette**

**Opposed 0**  
**Abstained 0**  
**Motion Carried**

**5. UPDATE- INFRASTRUCTURE & PUBLIC WORKS**

**a. Change Order**

**18-11-113**

**Costello/Buckle**

**BE IT RESOLVED** that the Town of Holyrood approve and submit Change Order ENG-001 prepared by SNC Lavalin for project - Holyrood Road Refurbishment (17-MYCW-15-0094) Change order #ENG-001 reflects changes to the Kennedy's Lane/ O'Rourke's project which will allow for additional inspection fees, engineering fees and expenses due to the working days being increased from 20 days to 34.75 days as a result of additional field requested scope of work. This change in scope of work increased the engineering fees by an additional \$16,077. The cost identified was originally \$53,467.08 and changed to \$69,544.08

**In Favor 5**

**Mayor G. Goobie**  
**Deputy Mayor C. Buckle**  
**Councillor K. Costello**  
**Councillor K. Ghaney**  
**Councillor R. Myette**

**Opposed 0**  
**Abstained 0**  
**Motion Carried**

**Update**

We presented motion for paving projects which have been approved by Gas Tax. We are expecting this work to be started soon.

**6. UPDATE- RECREATION & COMMUNITY EVENTS**

**a. 18-11-114**

**Ghaney/Buckle**

**BE IT RESOLVED** to award Apex construction on the supply and installation of the new Highland Park playground equipment for a total of \$16,415.00 plus HST.

**In Favor 5**

**Mayor G. Goobie**  
**Deputy Mayor C. Buckle**  
**Councillor K. Costello**  
**Councillor K. Ghaney**  
**Councillor R. Myette**

**Opposed 0**  
**Abstained 0**

**Motion Carried**

**b. Fall Activity Guide 2018**

Will be in mailboxes on September 13, 2018

**7. UPDATE- PUBLIC SAFETY**

- a. Fire Prevention Week- October 7-13. This year's theme, "Look. Listen. Learn. Be aware. Fire can happen anywhere".

**Look** for places fire could start

**Listen** for the sound of the smoke alarm

**Learn** two ways out of every room.

- b. Hunting Signs will be placed close to residential areas at Liam Hickey Drive and both sides of the Transmission Line on Salmonier Line.

**8. UPDATE- BUSINESS DEVELOPMENT & MARKETING**

- a. Town is in planning mode of start-up weekend. Will take place November 9-11.
- b. Hosting Harris Centre in November.
- c. A number of business interest are working their way through the process.
- d. Please with progress of boardwalk and trail master plan.

**9. UPDATE- CORPORATE SERVICES**

- a. **Bankbook Balance \$2,567.73**

**b. Accounts**

**18-11-115**

**Buckle/Ghaney**

**BE IT RESOLVED** that accounts as tabled in the amount of \$225,051.53 (Direct Deposits- D00304-D00355 and cheque number 038482-039637) be approved for payment from the General Account.

**In Favor 5**

**Mayor G. Goobie**

**Deputy Mayor C. Buckle**

**Councillor K. Costello**

**Councillor K. Ghaney**

**Councillor R. Myette**

**Opposed 0**

**Abstained 0**

**Motion Carried**

**c. Budget 2019**

Budget Process has been identified- Budget will be presented on December 18, 2018. Public Budget Consultations will take place on October 16 at 7:00 pm at the Town Office.

**10. NEW BUSINESS**

**a.** Notice of Motion – Electricity Mitigation Plan

**b.** Other:

**Councillor Costello**

We had a great summer with good progress on infrastructure projects. Hopefully we will have roundabout completed soon. Dog park opening on October 6 at 11 am. Scholarship Deadline is October 2.

**Councillor Myette**

Great work being done on roundabout. I worried about the slant on it, but we shall see how it works this winter. A lot of work being done on North Side Road. Thanks to Volunteer Fire Department for all they do, and they do a fantastic job.

**Councillor Ghaney**

Commend the Public Works dept on the dog park. Been hearing many great compliments and gives dogs/owners many opportunities for activity. Monday Sept 10 was suicide awareness day and I wanted to bring to the forefront how important it is to talk to friends and neighbors and listen.

**Deputy Mayor Buckle**

Mental Health is becoming a big issue within our communities. Great to see it being recognized, more support in work place and in media. Lots of ditching and culverts being done on Salmonier Line- work is happening really fast. Great to see Highland Park playground. I hope more people get involved in budget consultations and provide feedback. Lift Station will be soon going to tender- great to see. We are paving lots of roads around the town.

CAO- tender will be going out on Friday. Work will be well underway before the end of September.

**Mayor Gary Goobie**

Over the past several weeks and months, there has been much discussion and debate surrounding rate mitigation once Muskrat Falls comes on stream within the next couple of years. Unquestionably, this issue has created a raucous within political circles. However, as of late, nobody has come forward with a definitive plan on how ratepayers will avoid a

significant increase in their electricity bills, which some predict could double.

Upon reflection, going back to 2012 after the project was sanctioned by the former administration, many critics and experts alike, have termed this project as a “boondoggle” which was grossly mishandled and got off the rails leading to construction costs that quickly spiraled out of control, almost doubling to a staggering twelve billion dollars.

In 2015, the new government inherited a significant challenge to get this project back on track, which seemed to be accomplished under the leadership of the new CEO, Stan Marshall.

Unfortunately, that huge cost has to be paid off; and at the same time, ratepayers may face a significant surge in electricity bills.

One thing is for certain: people of this province are becoming extremely anxious as to what degree they will be affected.

In my opinion, all this couldn't come at a worst time. The economy is sluggish, unemployment is up, currently the highest in Canada at 14.4%, and interest rates are on the rise and are expected to continue to do so. All of these factors are having an adverse impact on many residents in the province.

Not to sound too dramatic, but seniors living on fixed incomes are literally feeling scared. Also affected will be single parents with children, low income families and those who have mortgages to pay. Clearly, it's going to affect just about everyone.

In light of the serious financial circumstances we are facing, I believe we have to change our way of thinking, move in a totally different direction, take control of our destiny and chart our own course.

In fact, this past Sunday on NTV's Issues and Answers, the guest was Mr. Ed Hollett of the Atlantic Institute for Market Studies. In his words, and I quote: “We have to step outside the box and think about something totally different”, (unquote).

After giving this much thought over the past several months, I (too), decided to weigh in on the discussion and debate, because I believe we all need to have input into this unprecedented situation in which we find ourselves..

Under the current arrangement, Nalcor (NL Hydro) produces electricity, sells it to NL Power Inc., who in turn sells it back to the ratepayers at an increased cost.

NL Power, is a subsidiary of Fortis Inc., a 50 billion dollar publicly traded company listed on the Toronto and New York Stock Exchange, with a mandate to make profits for their shareholders. In fact, the dividend per common share is approximately just over a dollar. That is a pretty generous return, combined with the increased value per share on a quarterly and yearly basis.

Simply put, the shareholders and executives of this company are making big profits, while at the same time, the ratepayers of this province will be expected to pay more. Clearly, there's something wrong with this picture.

I believe the province should look at the viability and (possibility) of acquiring NL Power, and make it a Crown Corporation under Nalcor - whether negotiated as a friendly acquisition or through a takeover. Of course, all this depends on government's willingness to pursue this as a possible option.

I'm sure this concept is not new, however; what's so glaring (and surprising) is that throughout this whole debate, never once was NL Power entered into the equation or mentioned by anyone - not once. This "new" Provincial Crown Corporation would then have exclusive rights to produce, transmit and distribute all power throughout the province. By selling this power from Muskrat Falls directly to the ratepayer, thus eliminating the middle-man, one would assume the savings realized would go toward rate mitigation.

Given the fact this is done in British Columbia, Manitoba and Saskatchewan - which provide some of the lowest rates in North America, I don't see it as an insurmountable undertaking.

I think Ottawa could have a role to play in such negotiation, given the extenuating financial circumstances of the province due to the soaring cost of Muskrat Falls. Maybe a low interest re-payable loan over 30 years to pay for this acquisition.

Throughout this whole debacle, we must accept the fact that we find ourselves entrenched in a mound of crippling debt:

- \$15 billion in accumulated debt
- \$ 600-700 million deficit
- \$ 12.7 billion cost of Muskrat Falls.

The sad reality is that we're slowly drowning in a sea of provincial debt totaling upwards of \$ 28.4 billion dollars. For a province of just 520,000 people, this amount is without exaggeration, alarming.

It is estimated that one cent per (kilowatt hour) in rate mitigation will

require approximately \$ 70 million per year in funding. Therefore, rate mitigation to limit residential customer rates to 18 cents/kWh will require funding in the range of \$ 280 million to \$ 350 million dollars per year. Those figures are absolutely staggering.

The suggestion has also been made to use oil revenues as a means of providing rate mitigation. It must be understood that our shares from our oil investment is already factored into the budgetary picture. Moving money around doesn't change anything.

Further, we must be reminded that the province has already agreed with its public-sector unions to no layoffs.

It's a safe bet to conclude that if we don't satisfy the bond rating agencies such as Moody's and Standard and Poor's with the financial arrangement for rate mitigation, then we certainly run the risk of jeopardizing our credit rating, which could result in the province paying extra tens of millions of dollars each year in interest costs. Obviously, we need a solid and sustainable plan to maintain our credit rating.

Simply put, we cannot continue to borrow our way out of this dilemma, but rather through sound and responsible investment.

NL Power has assets \$ 1.5 billion dollars. Without getting too technical; if you do the math, the cost of rate mitigation at an average of \$ 300 million per year for the next 25 years (estimated time to pay off Muskrat Falls), equates to \$ 7.5 billion dollars.

So reading between the lines, one would conclude that we'd actually be in money over the long term, and would have an asset that's paid off and in the full ownership of Newfoundlanders who would now be the main stakeholders.

I truly believe this concept is worthy of further research and due diligence.

Maybe my proposal is far-fetched, or maybe it has merit. Whatever is government's priority as they try to find a way forward in the midst of this huge dilemma of trying to provide rate mitigation while at the same time trying to pay down this monstrous debt on Muskrat Falls, I think it's worth asking the question. It may or may not be a viable or feasible option; but I honestly believe a serious discussion has to take place, with all options and possibilities to be explored.

If you agree with my philosophy and thought process, I would seek your approval to write a letter to the Premier and Minister of Natural Resources, asking if such proposal is to be given further consideration.

I'm sure all suggestions, especially from a municipality would be welcomed and appreciated by Cabinet and Government at such a critical time.

All Councillors are in agreement with writing a letter to the Premier and Minister of Natural Resources. Maybe my proposal is far-fetched, or maybe it has merit. Whatever is go

**11. DATE OF NEXT MEETING**

October 2, 2018 at 5:30 pm.

**12. ADJOURNMENT**

**18-11-116**

**Ghaney/Myette**

**BE IT RESOLVED** that this meeting do now adjourn at 6:23 pm.

*Minutes prepared by Christa Turnbull*