

Request for Decision

Title	Debenture Bylaw 1389/17 – First Reading
Proposed Motion	That Council give first reading to Debenture Bylaw 1389/17 Pilon Creek Estates Subdivision & Range Road 232 Pilon Creek Estates Access to Highway 15 with a maximum amount of \$1,396,500.
Administrative Recommendation	Administration recommends that Council approve first reading of the Debenture Bylaw to fund this project as approved in the 2017 Capital Budget.
Previous Council Direction	December 12, 2016 – Motion 455/16 That Council approve the 2017 Operating and Capital Budget as presented in the 2017 Budget Document.
Report	<p><u>Background Information</u></p> <ul style="list-style-type: none"> • Pilon Creek Estates Subdivision & Range Road 232 Pilon Creek Estates Access to Highway 15 includes funding for two (2) stages: <ul style="list-style-type: none"> • Stage 3 (Pre-Engineering) – 2017 • Stage 4 (Construction) – 2018 • Since pre-engineering is funded by debenture, the Borrowing Bylaw must receive three (3) readings prior to any work commencing. • Administration will draw on a portion of the bylaw in 2017 for pre-engineering and the remainder if required for construction in 2018. • The total outstanding debt principal as of December 31, 2016 was \$30,383,410 (audited). • Sturgeon County’s debt limit as of December 31, 2016 per the <i>Municipal Government Act</i> (MGA) is \$84,984,680. • Sturgeon County’s debt limit as of December 31, 2016 per Sturgeon County’s Debt Policy (PLY_Debt_Management_Policy_2015) is \$67,987,744. • Remaining debt limit available on Sturgeon County Policy is \$37,604,334; on MGA regulations, it is \$54,601,270. <p><u>External Communication</u></p> <ul style="list-style-type: none"> • The Borrowing Bylaw will be advertised in various media outlets, and posted on the Sturgeon County website.

Relevant Policy/Legislation/Practices:

Municipal Government Act, RSA 2000 C.M-26 (MGA):

- Section 253 states that money obtained by a municipality under a borrowing must be used for purpose for which it is borrowed.
- Section 254 states that no municipality may acquire, remove or start construction or improvement of a capital property that is to be financed in whole or in part through a borrowing unless the borrowing bylaw that authorizes the borrowing is passed.
- Section 251 (3) states that a borrowing bylaw must be advertised.
- Section 231 (3) states that a petition against the bylaw is not sufficient unless it is filed with the CAO within 15 days after the last date on which the bylaw was advertised.
- Debt Management Policy (PLY_Debt_Management_Policy_2015).

Implication of Administrative Recommendation

Strategic Alignment:

Goal 1.2.1: Short term and long term financial plans developed that ensure the provision of core services and infrastructure to residents.

Organizational:

Pilon Creek Estates Subdivision & Range Road 232 Pilon Creek Estates Access to Highway 15 was included in the 2017 and 2018 Capital Budget, and was part of the 4-Stage Capital Program.

Financial:

Interest rates can fluctuate until a debenture is taken out; however, the current interest rates and implications are below. Pilon Creek projects were part of the approved 2017 Operating and Capital Budget - under the Road Rehabilitation program, and were to be funded by debenture.

The current interest rate for a 10-year debenture is 2.249%. Payments would begin in 2018:

Project	Debenture \$	Total Interest (10-Year)	Annual Payment (10-Years)
Pilon Creek Project	\$1,396,500	\$170,722.20	\$156,722.22

Alternatives Considered


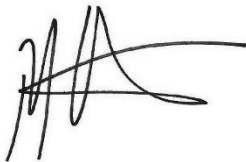

1. Fund the projects using reserves or taxes.
2. Delay or defer the projects.

Implications of Alternatives

Strategic Alignment:

Inconsistent with:

- Goal 1.2.1 Short term and long term financial plans developed that ensure the provision of core services and infrastructure to residents.

	<p><u>Organizational:</u></p> <ul style="list-style-type: none"> The delay or deferral of the projects would have a significant impact on the Road Rehabilitation capital program. <p><u>Financial:</u></p> <ul style="list-style-type: none"> Funding this project by means of reserve funding would deplete the capital reserve(s).
<p>Follow up Action</p>	<ol style="list-style-type: none"> Finance to work with Communications to ensure that the Borrowing Bylaw is advertised in various media outlets and posted on the Sturgeon County website. Finance to bring Borrowing Bylaw 1389/17 back to council for second and third reading.
<p>Attachment(s)</p>	<ol style="list-style-type: none"> Bylaw 1389/17 – Borrowing Bylaw for Pilon Creek Estates Subdivision & Range Road 232 Pilon Creek Estates Access to Highway 15. Debt Management Policy.
<p>Report Reviewed by:</p>	 <p>Manager, Financial Services</p>  <p>Rick Wojtkiw, GM Corporate Support</p>  <p>Peter Tarnawsky, County Commissioner – CAO</p>

Strategic Alignment Checklist

Vision: Sturgeon County: a diverse, active community that pioneers opportunities and promotes initiative while embracing rural lifestyles.

Mission: Provide quality, cost effective services and infrastructure to meet the diverse needs of the Sturgeon County community, while improving competitiveness and sustainability.

Focus Areas	Not consistent	N/A	Consistent
Strong Local Governance and Regional Leadership			
<i>We promote consistent and accountable leadership through collaborative and transparent processes (Strategic Plan, pg. 27 MDP)</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> <i>Consistent with neighborhood role (see MDP), master plans, policies</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <i>Considers fiscal stability and sustainability</i> 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> <i>Has a positive impact on regional and sub-regional cooperation</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Respect the Natural Environment			
<i>We acknowledge the importance of a healthy environment and will minimize and monitor our impact on ecosystems (Strategic Plan, pg. 27 MDP)</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <i>Compliance with Provincial and Federal regulations and/or legislation</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <i>Ensure effective environmental risk management</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Community Identity & Spirit			
<i>We will build upon our strengths, where together we will create an inclusive, caring community (Strategic Plan, (Strategic Plan, pg. 27 MDP)</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <i>Promotes and/or enhances residents' identification with Sturgeon County</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <i>Enhances service provision through community partnerships</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <i>Supports Sturgeon County's cultural history</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Planned Growth and Prosperity			
<i>We encourage varied and integrated enterprises that enhance our strong economic base, while balancing the needs of the community and natural environment. (Strategic Plan, pg. 27 MDP)</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <i>Does the proposal align with the Integrated Regional Growth Strategy (map/policies) pg. 26 MDP</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <i>Considers cumulative costs and long-term funding implications</i> 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> <i>Targets growth around current or planned infrastructure</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Maintain and Enhance Strong Communities			
<i>We are committed to a safe, secure community, where our residents are respected and provided with access to opportunities. (Strategic Plan, pg. 27 MDP)</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <i>Positive impact on residents' quality of life</i> 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> <i>Supports and promotes volunteer efforts</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <i>Provides programs and services that are accessible to all residents</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Operational Excellence			
<i>We have the organizational capability to deliver consistent and defined levels of service to all stakeholders in a professional, efficient, and cost effective manner</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> <i>Staff have the knowledge, skills and capability to perform their jobs</i> 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> <i>Streamlines operational processes and policies</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <i>Promotes engagement and professional interaction with stakeholders</i> 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <i>Considers a cost-structure which allows Sturgeon County to remain competitive within a regional, national and global context</i> 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>