

Request for Decision

Title	Morinville Seed Cleaning Plant Loan Receivable
Proposed Motion	<p>1. That Council authorize Administration to pursue collection of the May 2016 loan payment in the amount of \$16,698.98 due from the Morinville Seed Cleaning Co-Op Ltd.</p> <p>2. That Council authorize Administration to call the whole of the remaining principle sum and accrued interest of \$64,857 due from the Morinville Seed Cleaning Co-Op Ltd.</p>
Administrative Recommendation	<p>Administration recommends pursuit of collection of the loan from the Co-Op in keeping with fiscal responsibility to Sturgeon County. Accountability and contractual obligation for the payment of the loan belongs to the Co-Op, and the Co-Op has not responded to requests related to the repayment of the loan.</p>
Previous Council Direction	<p>July 12, 2016 – Motion 259/16 That Council approves a deadline extension of the loan payment to September 30, 2016 to provide time for the Seed Cleaning Co-Op to make the appropriate request for forgiveness.</p> <p>June 23, 2015 – Motion 217/15 That County Council approves the request by the Morinville Seed Cleaning Co-Op Ltd. For forgiveness on their May 1, 2015 loan repayment of \$16,700.</p>
Report	<p><u>Background Information</u></p> <ul style="list-style-type: none"> On April 14, 2009 Sturgeon County Council established Bylaw 1175/09, Morinville Seed Cleaning Co-Op Limited Loan, \$150,000 for the completion of capital upgrades. This loan was secured by a promissory note signed with the Corporate Seal, by Directors of the Seed Cleaning Plant on April 17, 2009. Conditions of the note for non-payment provide for the “whole of the Principal Sum and accrued interest” to become due and payable in the event that any instalment of interest is not made on its due date. Annual loan payments \$16,698.98 including principal and interest, are due May 1 of each year. The balance of the loan on Sturgeon County Audited Financial Statements as of December 31, 2015 was \$63,585, accrued interest to May 1, 2016 is \$1,272, total amount owing at May 1, 2016 is \$64,857.

- In 2010, the Co-Op requested forgiveness of the 2010 loan payment, Council granted this request. Since then the Co-Op has requested forgiveness annually, which Council has approved. Notice to Reader Financial Statements have accompanied these requests.
- Over the years 2010 to 2015 Council has made repeated requests through administration that the Co -Op provide Audited Financial Statements; 2015 Audited Statements were provided through Sturgeon County Council representative.
- Administration has been in contact with the Co-Op formally through letter and informally through email and telephone correspondence. Formal communication took the form of letters to the plant;
 - April 14, 2016 – Forgiveness on the May 1, 2016 Loan Repayment, letter sent as a courtesy reminder that the Co-Op annually applies for forgiveness of the loan payment.
 - June 22, 2016 – May 1, 2016 Loan Repayment Past Due, letter advising the loan payment was past due. No official response received though requested by June 30, 2016.
 - July 12, 2016 - May 1, 2016 Loan Repayment Past Due, letter advising of Councils extension granted. No response received though requested by September 30, 2016.

External Communication

- NA

Relevant Policy/Legislation/Practices:

- Section 265 of the *Municipal Government Act* provides for a municipality to loan money to a non-profit organization.
- The \$150,000 loan to the Morinville Seed Cleaning Co-Op Limited was authorized by Bylaw 1175/09.

Implication of Administrative Recommendation

Strategic Alignment:

Strong Local Governance and Regional Leadership – collection of the loan payment and loan are consistent with Goal 1.2, Sturgeon County is financially stable and fiscally sustainable.

Organizational:



Authorization to pursue collection of the loan allows Administration to hold organizations accountable to their use of Sturgeon County funds.

Financial:

Collection of the loan payment increases Sturgeon County cash flow by \$16,698.98, collection of the loan increases cash flow by \$64,857 and removes the loan receivable.

Alternatives Considered

1. That Sturgeon County waive the May 1, 2016 loan payment without an official request from the Co-Op.
2. That Sturgeon County further extend the deadline for the May 1, 2016 loan payment.

<p>Implications of Alternatives</p>	<p><u>Strategic Alignment:</u></p> <ul style="list-style-type: none"> Both alternatives may be inconsistent with Goal 1.2 Sturgeon County is financially stable and fiscally sustainable. <p><u>Organizational:</u></p> <ul style="list-style-type: none"> Though Council has waived the loan payment in the past the Co-Op has the accountability and contractual obligation to make the loan payment or request forgiveness of the loan. As this loan is in the form of Bylaw, Administration alone does not have the authority to forgive the loan payment or provide extensions without Council direction. <p><u>Financial:</u></p> <ul style="list-style-type: none"> Sturgeon County would not derive cash-flow benefit of \$16,698.98 for the loan payment, or \$64,857 for the full loan amount. The loan remains as a receivable to Sturgeon County.
<p>Follow up Action</p>	<ol style="list-style-type: none"> Administration will advise the Co-Op of Councils decision. If Council approves the motions as presented Administration will pursue collection of the loan.
<p>Attachment(s)</p>	<ol style="list-style-type: none"> Bylaw 1175/09 Seed Cleaning Promissory Note Repayment Schedule April 14, 2016 Letter June 22, 2016 Letter July 12, 2016 Letter Confidential - Co-Op 2015 Financial Statements (s. 16 of the <i>FOIP Act</i>)
<p>Report Reviewed by:</p>	 <p>Ed Kaemingh, Manager Financial Services</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 checked="" type="checkbox"/>	<input 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 checked="" type="checkbox"/>	<input 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 checked="" type="checkbox"/>	<input 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 checked="" type="checkbox"/>	<input 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 checked="" type="checkbox"/>	<input type="checkbox"/>