

Request for Decision

Title	Morinville Municipal Seed Cleaning Co-op Ltd. Loan
Proposed Motion	<p>1. That Council deny the request by the Morinville Municipal Seed Cleaning Co-op Ltd. to forgive the May 1, 2018 loan repayment of \$16,698.98.</p> <p>2. That Council deny the May 1, 2019 loan forgiveness request in the amount of \$16,698.98 until application is made in 2019 with audited 2018 financial statements.</p>
Administrative Recommendation	<p>Administration is recommending the denial of the May 1, 2018 loan payment waiver request. Administration does acknowledge that enhanced financial reporting has been met as previously requested, as well as prior precedent for waiving the loan payment.</p> <p>The May 1, 2019 loan payment should be denied until future financial reporting has been obtained and further grants towards the Co-op have been budgeted for. Financial reporting is a key component to strong governance.</p>
Previous Council Direction	<p><u>June 13, 2017 – Motion 249/17</u> That Council approve the request to waive the loan payment of \$16,698.98 due to the financial reporting provided as requested by Council.</p> <p><u>October 25, 2016 - Motion 372/16</u> That Council approve the request by the Morinville Seed Cleaning Co-op Ltd. for forgiveness on their May 1, 2016 loan repayment of \$16,698.98.</p> <p><u>June 23, 2015 - Motion 217/15</u> That County Council approves the request by the Morinville Municipal Seed Cleaning Co-op Ltd. for forgiveness on their May 1, 2015 loan repayment of \$16,700.</p> <p><u>June 10, 2014 - Motion 191/14</u> That County Council approves the request by the Morinville Municipal Seed Cleaning Co-op Ltd. for forgiveness of their May 1, 2014 loan repayment of \$16,700 and that Administration notify the Seed Cleaning Plant that completed Proforma Financial Statements will be required for Council review of forgiveness of the loan in its entirety in 2015 and, as a minimum that the Seed Cleaning Plant contract a review engagement audit for the 2014 Annual Financial Statements.</p>

May 28, 2013 - Motion 245/13

That County Council approves the request by the Morinville Municipal Seed Cleaning Co-op Ltd. for forgiveness on their May 1, 2013 loan repayment of \$16,700.

June 12, 2012 - Motion 218/12

That County Council approves the request by the Morinville Municipal Seed Cleaning Co-op Ltd. for forgiveness on their May 1, 2012 loan repayment of \$16,700.

June 14, 2011 - Motion 240/11

That County Council grants the Morinville Municipal Seed Cleaning Co-op Ltd. forgiveness of their total May 1, 2011 Loan payment of \$16,700.00 and further directs administration to review the option of forgiving the remaining balance of the loan.

April 27, 2010 - Motion 168/10

That County Council forgive this year's payment of \$16,700.00, interest and principal and request that the Morinville Seed Cleaning Plant provide the most recent audited annual and quarterly financial statements.

April 14, 2009 – Motion 118/09




That County Council approve 3rd reading to Bylaw 1175/09 (Morinville Municipal Seed Cleaning Co-op Limited Loan).

Report

Background Information

- On April 14, 2009, Sturgeon County Council established Bylaw 1175/09, Morinville Seed Cleaning Co-op Ltd. Loan, in the amount of \$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.
- Annual loan payments of \$16,698.98, including principal and interest, are due May 1 of each year, over a ten-year timeframe.
- The outstanding loan balance on Sturgeon County's 2017 Audited Financial Statements is \$32,422.
- 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 annually. Prior to 2008 Audited Financial Statements accompanied these requests; then from 2008 to 2015 Notice to Reader Financial Statements were provided. After repeated requests of Council, the Co-op has provided Audited Financial Statements for years subsequent to 2015.
- The Co-op's audits are conducted by an independent accounting firm, providing an increased level of transparency and assurance of the financial situation of the Morinville Municipal Seed Cleaning Co-op Ltd.

	<ul style="list-style-type: none"> In 2018, a grant has been budgeted in anticipation regarding the Morinville Seed Plant loan repayment request. <p><u>External Communication</u></p> <ul style="list-style-type: none"> None. <p><u>Relevant Policy/Legislation/Practices:</u></p> <ul style="list-style-type: none"> Section 265 of the <i>Municipal Government Act</i>, RSA 2000 c.M-26 provides for a municipality to loan money to a non-profit organization. The \$150,000 loan to the Morinville Municipal Seed Cleaning Co-op Limited was authorized by Bylaw 1175/09.
<p>Implication of Administrative Recommendation</p>	<p><u>Strategic Alignment:</u></p> <ul style="list-style-type: none"> Strong Local Governance and Regional Leadership – Goal 1.2: Sturgeon County is financially stable and fiscally sustainable. The request for enhanced financial reporting is consistent with strong governance. <p><u>Organizational:</u></p> <p>Minimal follow up required with the Morinville Seed Cleaning Co-op staff.</p> <p><u>Financial:</u></p> <p>Sturgeon County would not derive a cash flow benefit of \$16,698.98 from forgiving the loan payment. Sturgeon County has budgeted for grant funding in relation to the Morinville Municipal Seed Cleaning Co-op Ltd. in the 2018 fiscal year in which the source funding is tax revenue.</p>
<p>Alternatives Considered</p>	<ol style="list-style-type: none"> That Council approve the request to waive the loan payment in the amount of \$16,698.98 for the May 1, 2018 year. The Council approve the request to waive the loan payment in the amount of \$16,698.98 for the May 1, 2019 year. (See implications above for alternatives)
<p>Implications of Alternatives</p>	<p><u>Strategic Alignment:</u></p> <ul style="list-style-type: none"> Strong Local Governance and Regional Leadership – Goal 1.2: Sturgeon County is financially stable and fiscally sustainable. The request for enhanced financial reporting is consistent with strong governance. <p><u>Organizational:</u></p> <ul style="list-style-type: none"> Follow up with the Seed Cleaning Plant would be required. <p><u>Financial:</u></p> <ul style="list-style-type: none"> Minimal impact on cash flow. Sturgeon County has budgeted for grant funding in relation to the Morinville Municipal Seed Cleaning Co-op Ltd. in the 2018 fiscal year in which the source funding is tax revenue.

	<ul style="list-style-type: none"> • Forgiveness of the 2019 payment request would be an unbudgeted expense and require a funding source to be identified.
Follow up Action	1. Administration will inform the Seed Cleaning Plant of Council's decision (Finance July 2018).
Attachment(s)	<ol style="list-style-type: none"> 1. Forgiveness of Loan Payment Letter 2. CONFIDENTIAL – 2017 Financial Statements – Morinville Municipal Seed Cleaning Co-op Ltd. (s. 16 – Business Interests of a Third Party, FOIP) 3. Bylaw 1175/09, Morinville Seed Cleaning Co-op Ltd. Loan 4. Promissory Note 5. Repayment Schedule
Report Reviewed by:	 Ed Kaemingh, Manager, Financial Services  Rick Wojtkiw, General Manager, Corporate Support  Bill Minnes, County Commissioner - CAO

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 checked="" type="checkbox"/>	<input 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"/>