

Request for Decision

Title	Debenture Bylaw 1393/17, Cardiff Inflow & Infiltration Utilities Project (First Reading)
Proposed Motion	That Council give first reading to Debenture Bylaw 1393/17 Cardiff Inflow & Infiltration Utilities Project with a maximum amount of \$1,000,000.
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"> • Cardiff sewer line Inflow & Infiltration rehabilitation project will help reduce sewer inflow and infiltration; this reduction will help ensure that the County is in compliance with the Alberta Capital Region Wastewater Commission (ACRWC) service levels and peak flows. • Administration will only draw on the debenture in the amount that is required to fund the project. • 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 Bylaw will be advertised in various media outlets, and posted on the Sturgeon County website. <p><u>Relevant Policy/Legislation/Practices:</u></p> <p><i>Municipal Government Act</i>, RSA 2000 c.M-26:</p> <ul style="list-style-type: none"> • 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:

Cardiff Inflow and Infiltration Utilities Project was included in the 2017 Capital Budget.

Financial:

Interest rates can fluctuate until a debenture is taken out; however, the current interest rates and implications are below. Cardiff Inflow and Infiltration Utilities Project was part of the approved 2017 Operating and Capital Budget under the Utilities Capital Budget, and were to be funded by debenture.

The current interest rate for a 15-year debenture is 2.653%. Payments would begin in 2018:

Project	Debenture \$	Total Interest (15-Year)	Annual Payment (15-Year)
Cardiff I&I Project	\$1,000,000	\$218,669.30	\$80,244.62

Alternatives Considered

1. Fund the projects using reserves or utility rates.
2. Delay or defer the projects.

Implications of Alternatives

Strategic Alignment:

Inconsistent with:


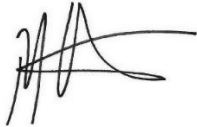

- Goal 1.2.1 Short term and long term financial plans developed that ensure the provision of core services and infrastructure to residents.

Organizational:

- The delay or deferral of the projects would have a significant impact on the Road Rehabilitation capital program.

Financial:

- Funding this project by means of reserve funding would deplete the capital reserve(s).

Follow up Action	1. Finance will work with Communications to ensure that the Debenture Bylaw is advertised in various media outlets and posted on the Sturgeon County website. 2. Finance to bring Debenture Bylaw 1393/17 back to council for second and third reading – July 10, 2017.
Attachment(s)	1. Bylaw 1393/17 – Debenture Bylaw for Cardiff Inflow & Infiltration Utilities Project 2. Debt Management Policy
Report Reviewed by:	 Manager, Financial Services  Rick Wojtkiw, General Manager, Corporate Support  Stephane Labonne, A/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 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"/>