



Request for Decision

Title	Debenture Bylaw 1389/17 (Second and Third Reading)
Proposed Motion	<p>1. That Council give second 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.</p> <p>2. That Council give third 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.</p>
Administrative Recommendation	Administration recommends that Council approve second and third reading of Debenture Bylaw 1389/17 to fund this project as approved in the 2017 Capital Budget.
Previous Council Direction	<p>May 9, 2017 – Motion 200/17 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.</p> <p>December 12, 2016 – Motion 455/16 That Council approve the 2017 Operating and Capital Budget as presented in the 2017 Budget document.</p>
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; and • Stage 4 (Construction) – 2018. • Since pre-engineering is funded by debenture, the Debenture 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 (MGA)</i> 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.

External Communication

- The Debenture Bylaw was advertised in both the Morinville *Free Press* and the Redwater *Review* on May 16 and May 23, 2017, respectively.

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


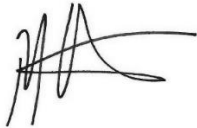

Alternatives Considered

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

Implications of Alternatives	<p><u>Strategic Alignment:</u></p> <p>Inconsistent with:</p> <p>Goal 1.2.1 Short term and long term financial plans developed that ensure the provision of core services and infrastructure to residents</p> <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).
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Follow up Action	None.
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Attachment(s)	<ol style="list-style-type: none"> Bylaw 1389/17 – Debenture Bylaw for Pilon Creek Estates Subdivision & Range Road 232 Pilon Creek Estates Access to Highway 15 Debt Management Policy Advertisement
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Report Reviewed by:	 Ed Kaemingh, Manager Financial Services  Rick Wojtkiw, General Manager, Corporate Support  Stephane Labonne, A/County Commissioner - CAO
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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"/>