

Request for Decision

Title	2020 Strategic Road Stabilization Project Funding
Proposed Motion	<ol style="list-style-type: none"> 1. That Council approve the gravel road projects itemized in Attachment "A" to a maximum of \$3,010,515. 2. That Council approve funding for the road improvements itemized in Attachment "A" with \$1,300,000 from the Road Network Reserve and up to \$1,710,515, temporarily funded by short-term debt, to be repaid by the road network infrastructure priority area upon receipt of significant tax growth revenue. 3. That Council authorize the Chief Administrative Officer to execute contract award(s) for infrastructure projects approved at the July 14, 2020 Council meeting and for gravel road projects itemized in Attachment "A".
Administrative Recommendation	<p>Administration recommends that Council approve list of road improvement projects itemized in Attachment "A" to be funded with \$1,300,000 from the Road Network Reserve and up to \$1,710,515, temporarily funded by short-term debt, to be repaid by the road network infrastructure priority area upon receipt of significant tax growth revenue. Further, Administration recommends that the Chief Administrative Officer to execute contract award(s) for infrastructure projects approved July 14, 2020 Council meeting and for projects itemized in Attachment "A".</p>
Previous Council Direction	<p><u>July 14, 2020 Regular Council Meeting</u></p> <p>Motion 335/20: That Council approve the Firehall Road gravel road stabilization project to a maximum of \$469,485.</p> <p>Motion 336/20: That Council approve the Township Road 544 from Highway 2 to ProNorth improvements, with an option of paving to the westerly entrance, to a maximum of \$3,320,000.</p> <p>Motion 337/20: That Council approve the Range Road 225 from Township Road 554 to dead end gravel road improvement project to a maximum of \$500,000 and to consider Phase 2 at a future date.</p> <p>Motion 339/20: That the Firehall Road, Township Road 544 from Highway 2 to ProNorth, and Range Road 225 from Township Road 554 to Dead End projects be temporarily funded by short term debt and repaid by the road network infrastructure priority area upon receipt of significant tax growth revenue.</p> <p>Motion 340/20: That Council uncommit \$1,300,000 from the Starkey Road improvements project for other 2020 priority road infrastructure projects.</p>

	<p>Motion 341/20: That Council direct Administration to provide project-specific information addressing specific recurring road issues, for the list of potential projects not to exceed \$6,000,000 from short-term debt and \$1,300,000 from the Road Network Reserve, inclusive of road infrastructure projects approved at the July 14, 2020 Council meeting, for Council approval at the August 11, 2020 Council meeting.</p>
Report	<p><u>Background Information</u></p> <ul style="list-style-type: none"> On July 14, 2020 Council approved the following infrastructure projects: <ul style="list-style-type: none"> Firehall Road – Range Road 252 From Highway 37 to the Firehall; Township Road 544 from Highway 2 to West Entrance ProNorth Industrial Park; and Range Road 225 From Township Road 554 to 2.4 kilometers north. Council also reinstated \$1 million of operational funding originally designated for enhanced road maintenance. A total of 24 km of projects have been identified for improvements across the county. In addition to the above projects, Council directed Administration to provide project-specific information to address specific recurring issues and to compile a list of potential priority road infrastructure projects for Council’s consideration. The 12 Projects itemized in Attachment “A” and displayed in Attachment “B” are comprised of roads that have been substantially compromised and/or had to be closed during spring runoff due to excessive moisture, which rendered those roads impassable and posed safety concerns. These projects were split into two bundles, “C & D” to facilitate tendering requirements. Bundle C consists of approximately 8 km of road improvements and Bundle D consists of approximately 7 km of road improvements. The total estimate for the identified projects is \$3,010,000. The proposed work is more intensive than general maintenance and will include items such as subgrade preparation and compaction, enhanced gravel thickness, and where required, the use of geotextiles and (or) geocell technology. The premise of this work is to restore a safe driving condition for these roads along with strengthening the road base. No grade widenings are proposed within the scope of work. Initial estimates were based conservatively at \$200,000/km. This estimate will allow for additional use of geo-stabilization encountered through field repair. The reinstatement of \$1 million in operational funding for enhanced road maintenance, combined with the \$3 million requested in this Request for Decision for Strategic Road Stabilization, will aid in improvements required on the County’s road infrastructure network that was comprised by 2020 weather and water impacts. Improvements proposed

	<p>and scheduled in 2020 across several programs can be viewed on Attachment “C”.</p> <p><u>Financing</u></p> <ul style="list-style-type: none"> • Council has approved access to a short-term loan not to exceed \$6,000,000 and uncommitted \$1,300,000 from the Starkey Road improvements project to fund priority road infrastructure projects. • Sturgeon County’s Debt Management Policy permits the use of short-term borrowing as bridge financing for capital expenditures and to cover cashflow timing issues. <p><u>External Communication</u></p> <ul style="list-style-type: none"> • Local media coverage of Council deliberation. <p><u>Relevant Policy/Legislation/Practices</u></p> <p>Corporate Procurement Directive Corporate Procurement Procedure Debt Management Policy Significant Tax Revenue Growth Policy</p>																
Implication of Administrative Recommendation	<p><u>Strategic Alignment</u></p> <p>Maintain and Enhance Strong Communities – The request is consistent with Goal 2.2 of the Strategic Plan: <i>Sturgeon County Residents have access to safe and reliable infrastructure assets.</i></p> <p>Strong Local and Regional Governance – The request is consistent with Goal 3.2 of the Strategic Plan: <i>Sturgeon County is financially stable and fiscally sustainable.</i></p> <p><u>Organizational & Financial</u></p> <p>The identified projects are to be temporarily funded through short-term debt, to be repaid from the road network infrastructure priority area upon receipt of significant tax growth revenue, and by the Road Network Reserve funds uncommitted from the Starkey Roads Improvements Project.</p> <table> <tr> <td>Total Available Short-term Debt</td><td>\$ 6,000,000.00</td></tr> <tr> <td>Less: Commitments to Approved Projects</td><td></td></tr> <tr> <td> <i>Firehall Road</i></td><td><i>469,485.00</i></td></tr> <tr> <td> <i>Township Road 544 From Highway 2 to West Entrance ProNorth</i></td><td><i>3,320,000.00</i></td></tr> <tr> <td> <i>Range Road 225 From Twp Rd 554 to Dead End</i></td><td><i>500,000.00</i></td></tr> <tr> <td>Total Uncommitted Short-term Debt</td><td>\$ 1,710,515.00</td></tr> <tr> <td>Road Network Reserve</td><td>1,300,000.00</td></tr> <tr> <td>Total Approved Funding Available</td><td>\$ 3,010,515.00</td></tr> </table>	Total Available Short-term Debt	\$ 6,000,000.00	Less: Commitments to Approved Projects		<i>Firehall Road</i>	<i>469,485.00</i>	<i>Township Road 544 From Highway 2 to West Entrance ProNorth</i>	<i>3,320,000.00</i>	<i>Range Road 225 From Twp Rd 554 to Dead End</i>	<i>500,000.00</i>	Total Uncommitted Short-term Debt	\$ 1,710,515.00	Road Network Reserve	1,300,000.00	Total Approved Funding Available	\$ 3,010,515.00
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Alternatives Considered	<ul style="list-style-type: none"> • Council could decide to provide funding for additional project(s) in 2020. 																

Implications of Alternatives	<p><u>Strategic Alignment</u></p> <ul style="list-style-type: none"> • Maintain and Enhance Strong Communities – The request is consistent with Goal 2.2 of the Strategic Plan: <i>Sturgeon County Residents have access to safe and reliable infrastructure assets.</i> • Strong Local and Regional Governance – The request is consistent with Goal 3.2 of the Strategic Plan: <i>Sturgeon County is financially stable and fiscally sustainable.</i> <p><u>Organizational & Financial</u></p> <ul style="list-style-type: none"> • Administration would need to reprioritize and re-tender projects. Due to construction season timing, some projects would likely be deferred to 20201. • Projects selected for 2020 delivery will be contracted out, and unfunded items will be brought back through the budget process for funding consideration.
Follow up Action	<ol style="list-style-type: none"> 1. The Chief Administrative Officer will execute contract awards with successful proponents.
Attachment(s)	<ol style="list-style-type: none"> 1. Attachment “A” – List of Proposed Road Infrastructure Projects 2. Attachment “B” – Map of Proposed Road Infrastructure Projects 3. Attachment “C” – Map of Proposed Improvements and Scheduled Projects 4. Debt Management Policy 5. Significant Tax Revenue Growth Policy
Report Reviewed by:	<p>Gary Mayhew, Manager, Transportation and Engineering Services</p> <p>Scott MacDougall, Chief Operating Officer – COO</p> <p>Reegan McCullough, County Commissioner – CAO</p>

Strategic Alignment Checklist

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

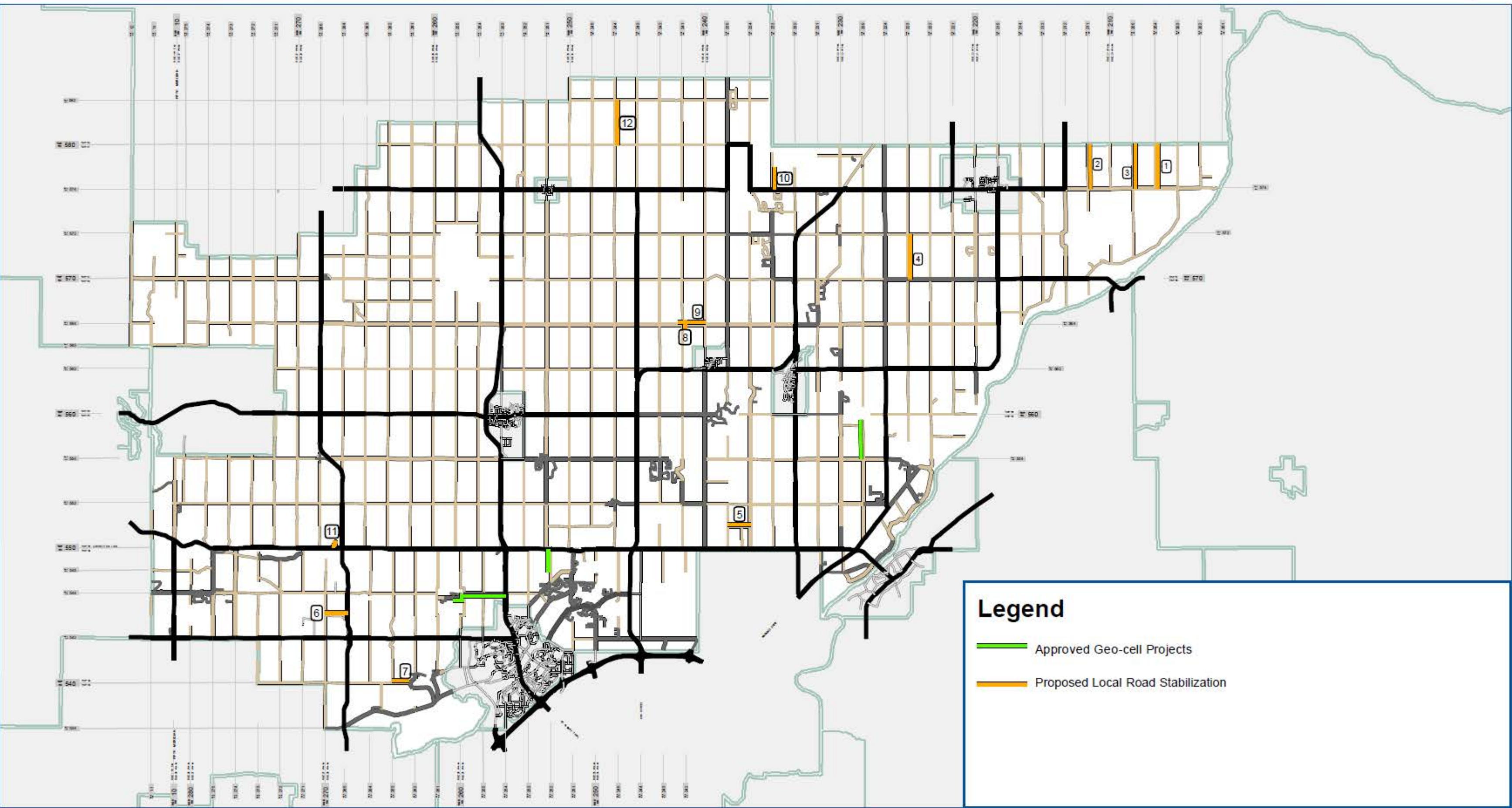
Mission: Provide quality, cost effective services and infrastructure to meet the diverse needs of the Sturgeon County community, while improving competitiveness and sustainability.

Focus Areas	Not consistent	N/A	Consistent
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 and MDP pg. 36)</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> Supports a strong thriving business environment to strengthen our economic foundation 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> Plans for responsible growth through the MDP and regional growth plan. 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> Manages growth for current and future developments through: <ul style="list-style-type: none"> transparent bylaws, policies, and processes to enable responsible land development targeting growth around existing and identified future growth areas 	<input type="checkbox"/> <input type="checkbox"/>	<input checked="" type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input checked="" type="checkbox"/>
Maintain and Enhance Strong Communities			
<i>We are committed to a safe and viable community, where our residents are provided with access to opportunities and quality of life. (Strategic Plan and pg. 27 MDP)</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> Provides access to programs and services that have a positive impact on residents' quality of life 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> Provides access to safe and reliable infrastructure assets 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> Supports the safety of people and property 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Strong Local and Regional Governance			
<i>We promote consistent and accountable leadership through collaborative and transparent processes (Strategic Plan and pg. 27 MDP)</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> Provides effective leadership and management consistent with Strategic Plan, MDP, master plans, bylaws, policies, community engagement 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> Considers fiscal stability and sustainability 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> Fosters collaborative intergovernmental partnerships 	<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 and MDP pg. 27)</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> Promotes and/or enhances residents' identification with Sturgeon County 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> Support and/or collaborate with voluntary organizations in the region 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Environmental Stewardship			
<i>We foster a healthy environment and minimize our impact on ecosystems. (Strategic Plan and MDP pg. 27)</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> Plans and partnerships that minimize environmental impact on natural areas 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> Provides awareness of environmental issues impacting the County 	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

ATTACHMENT A - LIST OF PROPOSED INFRASTRUCTURE PROJECTS

#	ROAD	FROM	TO	DISTANCE (KM'S)	NOTES/DESCRIPTION	OPERATIONS PRIORITY	ROAD CLOSED IN 2020 (Y/N)	CONDITION	TRAFFIC VOLUME	BUSINESS AFFECTED	RESIDENTS AFFECTED	Council Division	Project Estimate	RFQ Bundle
1	RGE RD 204	TWP RD 574	TWP RD 580	0.8	SOFT CONDITIONS THROUGHOUT. DRAINAGE WORK TAKING PLACE IN 2020 DUE TO OVERLAND FLOODING. 40MM SPOT GRAVEL PLACED TO OPEN ROAD BACK UP.	HIGH	YES	SEVERE- MAJOR DAMAGE/ IMPASSABLE	LOW	MEDIUM	LOW	6	\$160,000	Bundle C
2	RGE RD 211	TWP RD 574	TWP RD 580	0.8	LARGE SOFT AREA CAUSING POOR DRIVING CONDITIONS.	HIGH	YES	SEVERE- MAJOR DAMAGE/ IMPASSABLE	LOW	MEDIUM	LOW	6	\$160,000	Bundle C
3	RGE RD 205	TWP RD 574	TWP RD 580	0.8	WATER OVER THE ROAD FOR LONG PERIODS OF TIME IN 2020. ELEVATED ROAD SUGGESTED. LARGE PORTION OF THE ROAD IN GREAT CONDITION. MORE OF AN ISOLATED AREA OF CONCERN. ROAD STILL CLOSED AS OF JULY 29	HIGH	YES	SEVERE- MAJOR DAMAGE/ IMPASSABLE	LOW	MEDIUM	LOW	6	\$160,000	Bundle C
4	RGE RD 223	TWP RD 570	TWP RD 572	3.2	LOW LAYING ROAD THROUGH A SWAMP. WATER ON ROAD EXTENDS 1KM. CLOSED ROAD FOR ABOUT 8 WEEKS THIS YEAR DUE TO WATER LEVELS. ROAD BAN ON GRAVEL ROAD	HIGH	YES	SEVERE- MAJOR DAMAGE/ IMPASSABLE	LOW	LOW	LOW	6	\$630,000	Bundle C
5	TWP RD 551	RGE RD 234A	RGE RD 235	1.6	LOW LAYING ROAD AND KNOWN WASHOUT LOCATION EVERY SPRING. SUGGESTED ROAD ELEVATION LOCATION	HIGH	YES	SEVERE- MAJOR DAMAGE/ IMPASSABLE	MEDIUM	MEDIUM	LOW	1	\$315,000	Bundle C
6	TWP RD 543	RGE RD 270	RGE RD 271	0.8	LOW LAYING ROAD AND KNOWN WASHOUT LOCATION EVERY SPRING. SUGGESTED ROAD ELEVATION LOCATION	HIGH	YES	SEVERE- MAJOR DAMAGE/ IMPASSABLE	LOW	MEDIUM	MEDIUM	3	\$160,000	Bundle C
7	TWP RD 540	RGE RD 261A	INTERSECTION	0.8	LOW LAYING ROAD AND KNOWN WASHOUT LOCATION EVERY SPRING. SUGGESTED ROAD ELEVATION LOCATION	MEDIUM	YES	SEVERE- MAJOR DAMAGE/ IMPASSABLE	MEDIUM	LOW	MEDIUM	3	\$160,000	Bundle D
8	TWP RD 564	RGE RD 241	INTERSECTION	0.8	LOW LAYING ROAD AND KNOWN WASHOUT LOCATION EVERY SPRING. SUGGESTED ROAD ELEVATION LOCATION. INTERSECTION AND ROADS IN ALL DIRECTIONS FOR 300M	MEDIUM	YES	SEVERE- MAJOR DAMAGE/ IMPASSABLE	MEDIUM	LOW	LOW	5	\$160,000	Bundle D
9	TWP RD 564	RGE RD 240	RGE RD 241	1.6	DEPRESSION IN ROAD. WATER FLOWS OVER TOP OF ROAD CREATING UNSAFE CONDITIONS. ROAD ELEVATION RECOMMENDED	MEDIUM	YES	MODERATE- SOFT AND RUTTED	HIGH	LOW	LOW	5	\$315,000	Bundle D
10	RGE RD 233	TWP RD 574	NORTH	1.6	HIGH PRIORITY. RIG MAT LOCATION IN 2020. HIGH WATER LEVELS AND LOW ROAD. DEAD END CAUSING CONCERN TO MULTIPLE RESIDENTS	HIGH	YES	SEVERE- MAJOR DAMAGE/ IMPASSABLE	LOW	MEDIUM	HIGH	5	\$315,000	Bundle D
11	26416 HWY 37			0.8	LOW LAYING AREA. FLOODED DURING SPRING CUTTING OFF ACCESS TO RESIDENTS. APPROXIMATE ROAD ELEVATION OF 0.8KM REQUIRED	MEDIUM	YES	SEVERE- MAJOR DAMAGE/ IMPASSABLE	LOW	LOW	MEDIUM	3	\$160,000	Bundle D
12	RGE RD 244	TWP RD 580	TWP RD 582	1.6	ROAD ELEVATED LOCATION. WATER ON BOTH SIDES OF THE ROAD WITH NO DRAINAGE COURSE TO ELIMINATE FLOODING. ROAD SUGGESTED TO BE RAISED TO KEEP TRAFFIC FLOWING	MEDIUM	YES	MODERATE- SOFT AND RUTTED	LOW	LOW	LOW	5	\$315,000	Bundle D
		TOTAL PLANNED		15.2										

Proposed Road Infrastructure Projects



Legend

Approved Geo-cell Projects

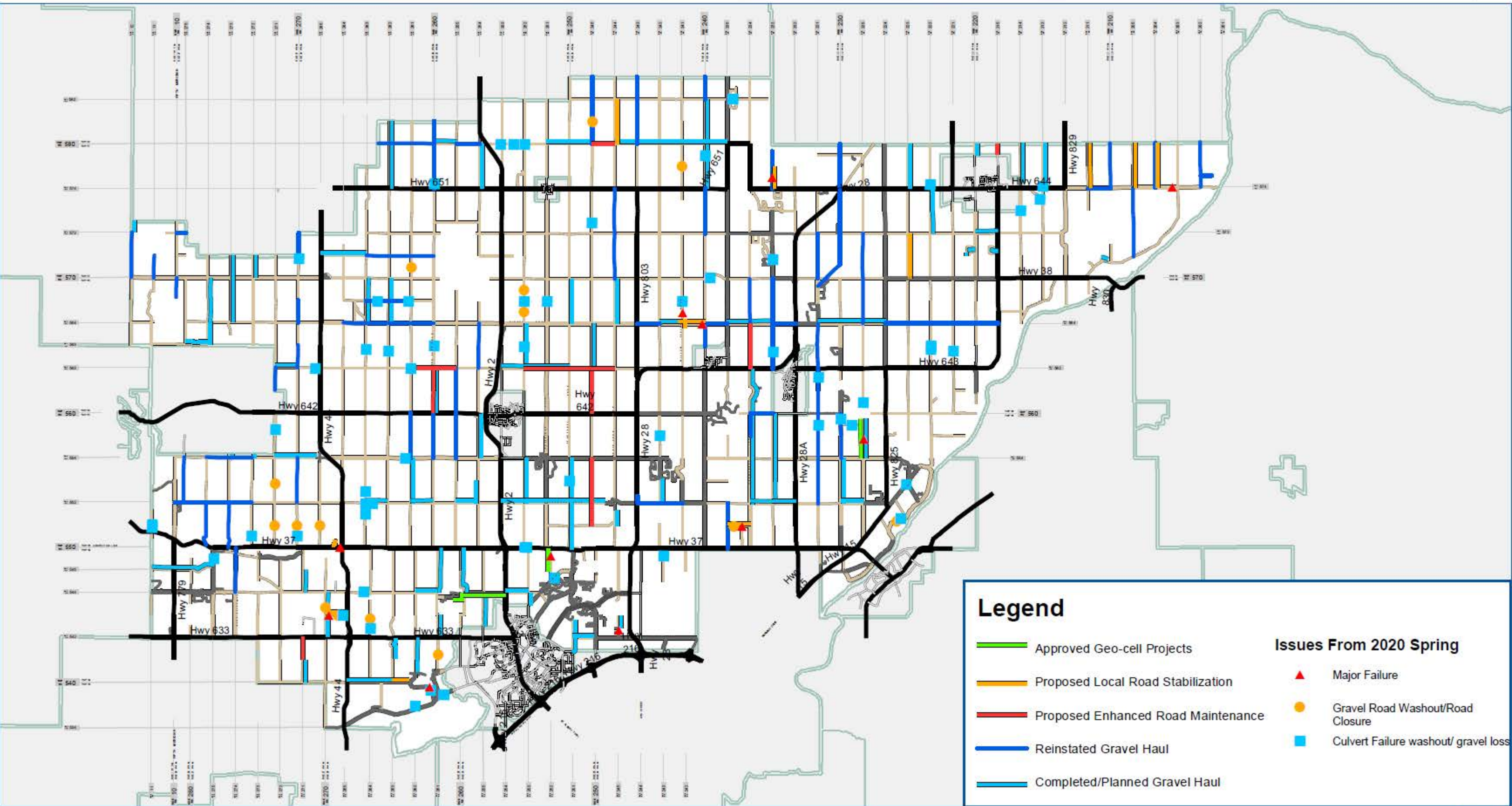
Proposed Local Road Stabilization

NAD 1983 10TM AEP Resource

Disclaimer: The information on these maps is based on the most Current information available to SCGIS. The information on this map is not intended to replace engineering, financial or primary records research.

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Attachment C - Proposed Improvements and Scheduled Projects



Legend

- Approved Geo-cell Projects
- Proposed Local Road Stabilization
- Proposed Enhanced Road Maintenance
- Reinstated Gravel Haul
- Completed/Planned Gravel Haul

Issues From 2020 Spring

- Major Failure
- Gravel Road Washout/Road Closure
- Culvert Failure washout/ gravel loss

Debt Management Policy

Date Approved by Council : October 13, 2015

County Commissioner:



1. Purpose

Sturgeon County recognizes that through strong financial leadership and planning long-term viability, the county can meet current and future infrastructure challenges. This policy aims to establish parameters for debt financing for capital projects.

2. Revision History

Approval Date	Revision Number	Modification
Year/Month/Date	1.0	New Document

3. Persons/Areas Affected

Corporate Support
Municipal Services

Integrated Growth
Sturgeon County Council

Commissioner's Office

4. Policy Statement

Sturgeon County recognizes that, when feasible, debt can be an affordable source of funding to ensure sustainability of the organization; however, excessive debt can hinder the organizations growth and flexibility to handle unforeseen challenges.

Sturgeon County will only incur new debt when it is consistent with the Business Plan direction and objectives with approval from County Council. Long-term debt will only be used to fund non-recurring items with an individual value of greater than \$100,000. Debt will not be incurred for operating purposes. Debt will only be incurred if the operating budget of Sturgeon County contains sufficient funding for debt servicing.

Sturgeon County shall adhere to an internal debt limit of 1.2 times revenue generated by the County as outlined by *Municipal Government Act* Debt Limit regulation 255/2000.

Internal rather than external borrowing will be used were possible only if an analysis of the affected funding source (ie: reserves) indicates sufficient funds are available

5. Definitions

Alberta Capital Finance Authority (ACFA) – Non-profit Corporation established under the authority of the Alberta Capital Finance Authority Act, to provide Alberta local authorities with flexible funding for capital projects.

Debt – Borrowing as defined under *Municipal Government Act (MGA)* section 241(a), usually in the form of a debenture, varying in debt terms.

Debt Terms – Period of time during which debt payments are made. At the end of the debt term, debt must be paid in full.

Debt Service – Annual principal and interest amounts owing on outstanding loans made by the Municipality plus annual principal and interest amount that the municipality will be liable to pay on loans guaranteed by the Municipality.

External Borrowing - Borrowing from entities outside Sturgeon County as approved by the MGA.

Lodge Accommodation – A home for the use of senior citizens who are not capable of maintaining or do not desire to maintain their own home, including services that may be provided to them because of their circumstances.

Long-term Borrowing – Borrowing from third parties scheduled for repayment; generally amortized over a period of 5 or more years.

Short-term Borrowing – Debt obligation used to cover cash-flow timing issues, smaller capital projects, and interim or bridge financing for capital expenditures. The term of the debt is not greater than five years as defined under MGA section 257.

Tax-Supported borrowing – Debt incurred to be repaid, with interest, through municipal tax levies. Annual property tax rates will be sufficient to provide for the annual debt servicing requirements and the adequate repayment of the debt.

Utilities Supported Debt – Debt incurred for utility operations capital projects that will be repaid, together with interest, by a portion of the annual utility rates charged to utility operations customers.

6. Responsibilities

Council is responsible for reviewing and considering approval of proposed debt financing. Council is also to authorize a borrowing Bylaw as required.

Administration is responsible for ensuring that the proper Bylaw is in place prior to pursuing any project that is to be funded by external borrowing. A service enhancement or Request for Decision is required by administration to ensure debt is in line with the County's Strategic and Corporate Business Plans; exceptions may be granted to emergency interim funding as required.

7. Procedures

Council is to approve any short-term borrowing, including borrowing on Sturgeon County's line of credit and overdraft, and all long-term borrowing. Service enhancements and/or Request for Decision's must be reviewed by Council to ensure the project is in line with Sturgeon County's Strategic Plan and Corporate Business Plan.

Sturgeon County may authorize a borrowing bylaw in behalf of senior lodge accommodation foundations. All borrowing is subject to % administrative charge added to the prevailing Alberta Capital Finance Authority Rate. Borrowing on behalf of not-for-profit foundations is limited to capital projects. All non-profit foundations must carry out activities within Sturgeon County and benefit the residents of Sturgeon County. Preference will be given to organizations that can link their activities to Council's Strategic Plan.

Capital projects will be approved by Council during the budget process; exceptions may be given to emergency funding.

Debt limits established by the MGA as defined in the *Municipal Government Act* Debt Limit Regulation 255/2000 are as follows:

- Total debt may not exceed 1.5 times the revenue of the municipality, and
- Debt service may not exceed 0.25 times the revenue of the municipality.

Policy Number: *{PLY_Debt_Management_Policy_2015}*

Sturgeon County's internal debt limits are as follows:

- Total debt may not exceed 1.2 times revenue generated by Sturgeon County as defined in the MGA Debt Limit Regulation 255/2000.

Sturgeon County Council, as a caution, will be informed once debt reaches 1.0 times revenue generated by Sturgeon County and will advise Council that a policy decision/change will be required when 1.2 times revenue approaches.

Debt terms on tax-supported borrowing are limited to 5 years maximum for equipment, 10 years on roads, and 15 years on bridges and utilities as outlined in the Summary of Fiscal Principles, Practices, and Policies. Debt terms will not exceed the useful life of the asset, and in no case shall debt terms exceed 25 years.

The Debt Management Policy is subject to biennial review. Amendments to the Debt Management Policy are subject to Council approval.

8. Cross Reference

Debt Management Procedure

Municipal Government Act

Municipal Government Act Debt Limit Regulation 255/2000

Summary of Fiscal Principles, Practices and Policies

Loans to Non-Profit Foundations – Policy ADM-LOA-1

Significant Tax Revenue Growth Policy

Date Approved by Council : March 28, 2017

County Commissioner:



1. Purpose

This policy establishes priority areas and target ratios for significant growth in tax revenues from industrial development. This policy reflects priority areas established by Council to enhance accountability and transparency and to promote fiscal prudence and to guide strategic investments that improve quality of life for residents. It is intended this policy will be reviewed every five (5) years.

2. Revision History

<i>Approval Date</i>	<i>Revision Number</i>	<i>Modification</i>
<i>March 28, 2017</i>	<i>1.0</i>	<i>New Document</i>

3. Persons/Areas Affected

Corporate Support
Integrated Growth
Municipal Services
County Commissioner's Office
Sturgeon County Council

4. Policy Statement

Sturgeon County recognizes that through financial transparency and fiscal prudence, the County can better manage the risk and volatility of significant one time growth in property tax revenues while improving the life for residents.

Sturgeon County is committed to facilitating meaningful and sustainable change in the County by investing in our communities through a collaborative approach.

The County recognizes supporting existing road infrastructure and investing in new infrastructure is essential and valuable assets to County residents.

The County will leverage on the inflow to stabilize taxes as a means of providing direct benefit to residents. Funds will be allocated to address concerns of residents likely to be impacted by industrial development.

5. Definitions

Priority Areas – areas identified by Council on which significant new property tax revenue will be invested.

Significant New Property Tax Revenue – revenue is considered significant new property tax if it meets these criteria;

- It is generated from single source such as a tax payer, a resident, a business entity or from a single project and
- It is not less than 20% of the County's tax revenue and
- it is anticipated to be ongoing in nature.

Target Ratio – The targeted percentage of growth revenue that will be invested on a priority area. Target ratios are based on net revenue after any other legal obligations are considered.

6. Responsibilities

The responsibilities of Council include:

- Setting priority areas and target ratios, considering the long-term vision, or plans of the County.
- A review of priority areas and target ratios in Schedule A and Schedule B, every five years or when it becomes necessary resulting from a change in County's vision or long-term plans.
- Approval of projects/initiatives recommended by Administration within priority areas.

The responsibilities of Administration include:

- Identification, and review of significant revenue to ensure it meets criteria set-out in the policy
- Identification of projects or initiatives within the priority areas for Council's approval
- Budgeting and Forecasting for significant revenue based on priority areas and target ratio set by Council
- Annual Financial reporting for significant revenue to Council.
- Annual progress report to Council on projects identified under each priority areas.

The County Commissioner will be responsible for implementation and compliance of this policy.

7. Procedures

The County will adhere to priority areas and the respective annual target ratios outlined in Schedule A and Schedule B. Priorities and target ratios should align with Sturgeon County's long term vision and plans.

The County will budget separately for significant revenue to minimize over-reliance on using such revenues to fund day to day operations of the County.

The County will adopt a conservative approach when budgeting for significant revenue considering the risk on these revenues.

Annual unspent amount in each priority area will be put into a related reserve to be used in subsequent years on the same priority area.

County Council will consider a five-year expenditure projection for each priority area before deciding to reallocate revenues from one priority area to the another.

Before making this determination, the 5 -year requirement of each priority area will be considered.

8. Cross Reference

Debt Management Policy	<i>(ply_Debt_Management_Policy_2015)</i>
Reserve Policy	<i>(ply_Reserve_Policy_2016)</i>
Strategic Plan Policy	<i>(ply_Gov_ELE_Strategic_Plan_2014)</i>
Summary of Fiscal Principles, Practices and Policies	

Council Policy

Policy Number: *[PLY_FIN_Significant_Revenue_Growth_Policy_2017]*

Schedule A – Priority Areas and Descriptions

	PRIORITY AREA	DESCRIPTION
1	Reserve and Debt	<p>Fund will be set aside to meet targets set out in the reserve policy over a period not to exceed three years. Once maximum reserve targets are met they will be re-evaluated each year as part of the budget process.</p> <p>The reserve balances are set aside to mitigate potential revenue loss should these projects cease to operate, providing a buffer to transition toward decreased budget revenues.</p> <p>Use Fund to pay-off debt with more than 3% interest rate excluding debts related to projects that could be subject to future annexation.</p>
2	Infrastructure Rehabilitation	Setting aside revenue to fund replacement and rehabilitation of existing assets including Bridges. Maintaining existing roads is of high priority to County Council. These include Bridges, Drainage, and Road Rehabilitation.
3	Infrastructure - New	Fund will be used for new capital projects and roads paving that fit the definition of New Infrastructure, gravel roads or paved roads. These included investments in Road Surfacing, Local Road Reconstruction, and Collector Reconstruction.
4	Community Building	This priority area will capture community enhancement projects and grants to community groups, and municipalities within the County. A reserve fund will be set for this priority, from which Council-approved projects will be funded. Any future Municipal Government Act (MGA) changes that impact industrial/linear tax revenue will be absorbed in this priority.
5	Potential Service Level Increase	Funds will be set aside to accommodate enhanced and new Services to residents. Potential increases in service level from the implementation of the priority area would be as directed by Council.
6	Heartland Mitigation Strategy	Funds will be set aside to mitigate any quality of life impacts of heartland area Residents, anticipated adverse outcome and other commitments tied to the revenue source or the location of the revenue source.
7	Tax Stabilization Fund	Funds set-aside within this priority area will be used to support stabilized tax rates on an annual basis.

Policy Number: *[PLY_FIN_Significant_Revenue_Growth_Policy_2017]*

Schedule B – Five-Year Target Ratio

Priority Area	2018	2019	2020	2021	2022
Reserve and Debt	34%	18%	14%		
Road Network Infrastructure	40%	60%	59%	65%	67%
Community Building	16%	9%	11%	17%	17%
Service Level Increase	3%	7%	9%	10%	8%
Heartland Mitigation Strategy	3%	3%	3%	3%	2%
Tax Stabilization Fund	3%	3%	4%	5%	5%