

## Request for Decision

<b>Title</b>	<b>2018-2020 Capital Infrastructure Plan Approval</b>
<b>Proposed Motion</b>	That Council approve the projects in Stage 2,3 and 4 as presented in the 2018-2020 Capital Plan for Feasibility and Detailed Design, and subject to budget, for Construction.
<b>Administrative Recommendation</b>	That Council approve the motion as presented above.
<b>Previous Council Direction</b>	<p><u>July 10, 2017 – Motion 336/17:</u> That Council direct Administration to adhere to the principles and target ratios as outlined in the approved Significant Tax Revenue Growth Policy when developing the four-stage road infrastructure capital plan.</p> <p><u>April 25, 2017:</u> Motion 169/17: That Council accept the Sustainable Roads Improvement Strategy Final Report as information.</p> <p>Motion 170/17: That Council direct Administration to prepare plans and future Operating and Capital Budgets using the Sustainable Roads Improvement Strategy as the framework.</p> <p><u>June 28, 2016:</u> Motion 239/16: That Council approve the projects in Stage 4 - Construction above the red line for the 2017 construction season.</p> <p>Motion 240/16: That Council approve projects in Stage 3 - Detailed Design to commence in 2017 at an additional cost of \$274,000, funded by MSI (\$251,000) and bridge-funding through the Transportation Capital Reserve, to be repaid in 2018 (\$23,000).</p>
<b>Report</b>	<p><u>Background Information</u></p> <ul style="list-style-type: none"> <li>The 2018-2020 Capital Infrastructure Plan is a continuation of previous year's 4-Stage Capital Plan.</li> <li>Projects approved in last year's capital plan have been moved in Construction (Stage 4), Detailed Design (Stage 3) and Feasibility (Stage 2) to meet the budget targets for each category of projects. Potential projects (Stage 1) are not presented in this plan.</li> </ul>

- The projects included in this plan are in accordance with the Sustainable Roads Improvement Strategy (SRIS) Final report. This plan in particular addresses the priorities of rehabilitation of existing hard surface assets, reconstruction and paving of collectors, including multi-lot subdivision access roads and upgrading of oiled roads.
- Cash flows are shown over three (3) years for understanding the movement of projects through stages. New priority projects have been added in the feasibility stage to reflect the SRIS report and future budget targets.
- Budget targets are based on the Sturgeon County Significant Tax Revenue Growth Policy and revised projections for Refinery Revenues.
- The Sturgeon Refinery was originally scheduled to begin production in the fourth quarter of 2017. This would have generated approximately \$31.5 million in taxes from machinery and equipment taxes once the refinery becomes operational (Prior to the tax prepayment and Alberta Industrial Heartland Commitments).
- The original net revenue estimate of \$29 million for 2018 is now reduced to \$15 million (after removing out NWR tax prepayment and Alberta Heartland Commitments) due to the change in the project commission date from Q4 2017 to an estimated Q2 of 2018, and presuming a Supplementary Assessment is undertaken.
- The Significant Tax Revenue Growth Policy set out priority areas and target ratios for allocation and expenditure of significant growth in tax revenues from Industrial development.
- To stay within the target ratios in the policy, allocations to the seven (7) priorities have been adjusted to reflect the potential reduction in the original estimate.
- 2018 infrastructure spending has been revised from \$7 million to \$5.2 million. The 4-Stage Road Infrastructure Capital Plan spending has been adjusted to reflect the reduced revenue available.
- This is in accordance with the Council motion passed on July 10, 2017 that directed that Administration adhere to the principles and target ratios as outlined in the approved Significant Tax Revenue Growth Policy when developing the 4-Stage Road Infrastructure Capital Plan.
- The four stages of capital projects are:
  - Stage 1 – Potentials: This stage provides a list of potential projects for future consideration into the capital program.
  - Stage 2 – Feasibility: Projects that will be preliminarily engineered in 2018 to determine if they are feasible to advance into the detailed design stage. This stage will provide a Rough Order of Magnitude (ROM) estimate of project costs. Considerations for advancement to the next stage are primarily cost, scope of work and resources.

	<ul style="list-style-type: none"> <li>○ <u>Stage 3 – Detailed Engineering</u>: Projects scheduled for detailed design will be coordinated through a consulting engineer selected through the Request for Proposal (RFP) process. This stage will see a detailed design, land acquisition, permitting, utility relocation and agreements. This stage would also see the development of a definitive estimate of project costs (-5% to +10%). Projects would be shovel ready at the end of this stage. Consideration for advancement to the next stage is based on available funding.</li> <li>○ <u>Stage 4 – Construction</u>: Projects that were engineered in 2017 and are shovel ready are scheduled for construction in 2018.</li> </ul> <p><u>External Communication</u></p> <ul style="list-style-type: none"> <li>• Once approved, the County website would be updated to reflect the new 2018-2020 Capital Infrastructure Plan.</li> </ul> <p><u>Internal Communication</u></p> <p>Coordination with the following departments to develop this plan:</p> <ul style="list-style-type: none"> <li>• Engineering</li> <li>• Transportation</li> <li>• Utilities</li> <li>• Current Planning and Development</li> <li>• Community and Regional Planning</li> <li>• Economic Development</li> </ul> <p><u>Relevant Policy/Legislation/Practices:</u></p> <ul style="list-style-type: none"> <li>• Policy ENG-ROA-1 Roadway Functional Classification System</li> <li>• Significant Tax Revenue Growth Policy</li> </ul>
<p><b>Implication of Administrative Recommendation</b></p>	<p><u>Strategic Alignment:</u></p> <p><b>Strong Local Governance and Regional Leadership</b> - The Capital Infrastructure Plan allows for more consistent planning and development, fiscal stability and sustainability. Early engineering of road projects to make them shelf ready will also enable the County to be more reactive to government grant opportunities.</p> <p><b>Community Identity &amp; Spirit</b> - The Capital Infrastructure Plan promotes Sturgeon County by allowing residents to have more visibility of planned future road construction.</p> <p><b>Planned Growth</b> - This program has factored in the planned and future Industrial development within the Sturgeon Industrial Park (SIP) area. This allows for the County to make timely decisions regarding use of the transportation levy funding associated with the SIP area development.</p> <p><b>Maintain and Enhance Strong Communities</b> - This program will have a positive impact on local resident's quality of life, in the areas where construction is planned.</p>

	<p><u>Organizational:</u></p> <ul style="list-style-type: none"> <li>• The 2018-2020 Capital Infrastructure Plan allows Administration to maximize use of its internal resources and to establish clear and concise priorities for staff members.</li> <li>• This program also allows for better budget and financial planning under many competing priorities for grant, and taxes.</li> </ul> <p><u>Financial:</u></p> <ul style="list-style-type: none"> <li>• The funding targets for this plan are \$19.78 million in 2018 under a Supplementary Assessment, \$36.75 million in 2019 and \$44.34 million in 2020.</li> </ul>
<b>Alternative Considered</b>	Council directs Administration to proceed with current level of capital infrastructure planning, not expanding funding levels to include future revenues available for additional projects.
<b>Implications of Alternatives</b>	<p><u>Strategic Alignment:</u></p> <ul style="list-style-type: none"> <li>• By not committing to the Capital Infrastructure Program in 2018, the organization will not be able to meet public expectations and strategic priorities.</li> </ul> <p><u>Organizational:</u></p> <ul style="list-style-type: none"> <li>• Delay of the approval of this program will result in late tendering and construction delays.</li> </ul> <p><u>Financial:</u></p> <ul style="list-style-type: none"> <li>• Delaying the program may result in more costly bids on our construction projects.</li> </ul>
<b>Follow up Action</b>	<ol style="list-style-type: none"> <li>1. Commence engineering, land acquisition and utility relocation for the roads identified for 2018 construction (Engineering Services).</li> <li>2. Apply for applicable Grant Funding (2018, Financial Services).</li> </ol>

<b>Attachment(s)</b>	<ol style="list-style-type: none"> <li>1. 2018-2020 Capital Infrastructure Plan</li> <li>2. 2018 Capital Construction Map</li> <li>3. 2019 Capital Construction Map</li> <li>4. 2020 Capital Construction Map</li> </ol>
<b>Report Reviewed by:</b>	<div data-bbox="532 268 1058 340">  </div> <div data-bbox="532 352 1122 384"> <p>Brian Hartman – Manager, Engineering Services</p> </div> <div data-bbox="532 436 813 499">  </div> <div data-bbox="532 520 1230 552"> <p>Ian McKay, P. Eng, General Manager, Municipal Services</p> </div> <div data-bbox="560 598 792 745">  </div> <div data-bbox="532 760 1182 791"> <p>Rick Wojtkiw – General Manager, Corporate Support</p> </div> <div data-bbox="532 835 922 934">  </div> <div data-bbox="532 945 1295 976"> <p>Tyler Westover – Acting General Manager, Integrated Growth</p> </div> <div data-bbox="560 1018 813 1117">  </div> <div data-bbox="532 1127 1122 1159"> <p>Peter Tarnawsky – County Commissioner - CAO.</p> </div>

## Strategic Alignment Checklist

**Vision:** Sturgeon County: a diverse, active community that pioneer 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
<b>Strong Local Governance and Regional Leadership</b>			
<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"> <li>Consistent with neighborhood role (see MDP), master plans, policies</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> <li>Considers fiscal stability and sustainability</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> <li>Has a positive impact on regional and sub-regional cooperation</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>Respect the Natural Environment</b>			
<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 type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> <li>Compliance with Provincial and Federal regulations and/or legislation</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> <li>Ensure effective environmental risk management</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>Community Identity &amp; Spirit</b>			
<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 type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> <li>Promotes and/or enhances residents' identification with Sturgeon County</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> <li>Enhances service provision through community partnerships</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> <li>Supports Sturgeon County's cultural history</li> </ul>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>Planned Growth and Prosperity</b>			
<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 type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> <li>Does the proposal align with the Integrated Regional Growth Strategy (map/policies) pg. 26 MDP</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> <li>Considers cumulative costs and long-term funding implications</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> <li>Targets growth around current or planned infrastructure</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>Maintain and Enhance Strong Communities</b>			
<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 type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> <li>Positive impact on residents' quality of life</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> <li>Supports and promotes volunteer efforts</li> </ul>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none"> <li>Provides programs and services that are accessible to all residents</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>Operational Excellence</b>			
<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"> <li>Staff have the knowledge, skills and capability to perform their jobs</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> <li>Streamlines operational processes and policies</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> <li>Promotes engagement and professional interaction with stakeholders</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<ul style="list-style-type: none"> <li>Considers a cost-structure which allows Sturgeon County to remain competitive within a regional, national and global context</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>